

# Weekly Store Strategy Meeting Agenda 9/24/20

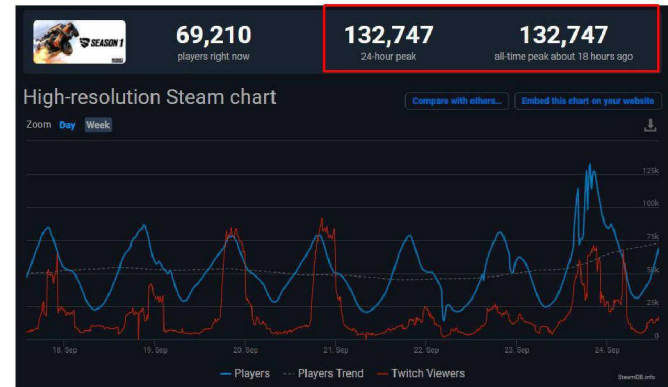
- Weekly KPI Update & Key Beats
- Talk about 2020 Infographic

A DEFENDANT A	United States District Court Northern District of California
	Case No. <b>4:20-cv-05640-YGR</b>
	Case Title <i>Epic Games, Inc. v. Apple, Inc.</i>
	Exhibit No. <b>DX-3399</b>
	Date Entered _____
	Susan Y. Soong, Clerk
	By: _____, Deputy Clerk

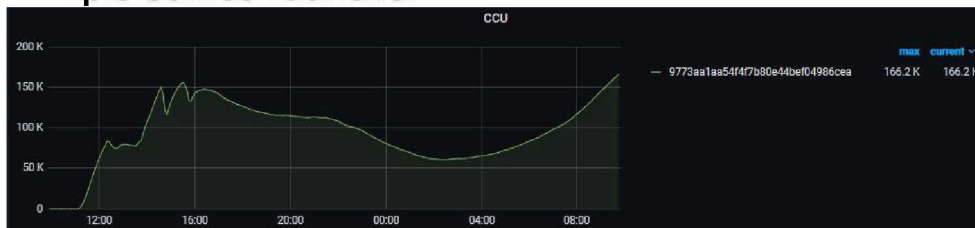
# Rocket League Free to Play Launch - Day 1

- 374k New EGS Users directly attributable
- EGS PCCU pushed past 11mm for the first time since March
- 3.7M Entitlements
- 877k players
- \$117k in Day 1 RL purchases (pre-coupon)
  - EGS Gross \$ overall jumped ~130% across store
- 159k peak CCU on 9/23 (as reported by Pysonix)
  - 138K on Steam (as reported by Pysonix)

## Steamdb



## Epic Games Launcher





# Rocket League Free to Play Launch - So Far Today



**Philip Piliero** 10:42 AM

EGS crushing it this AM. 🎉 [7:26 AM] Rocket League Prime

Steam: 84,459

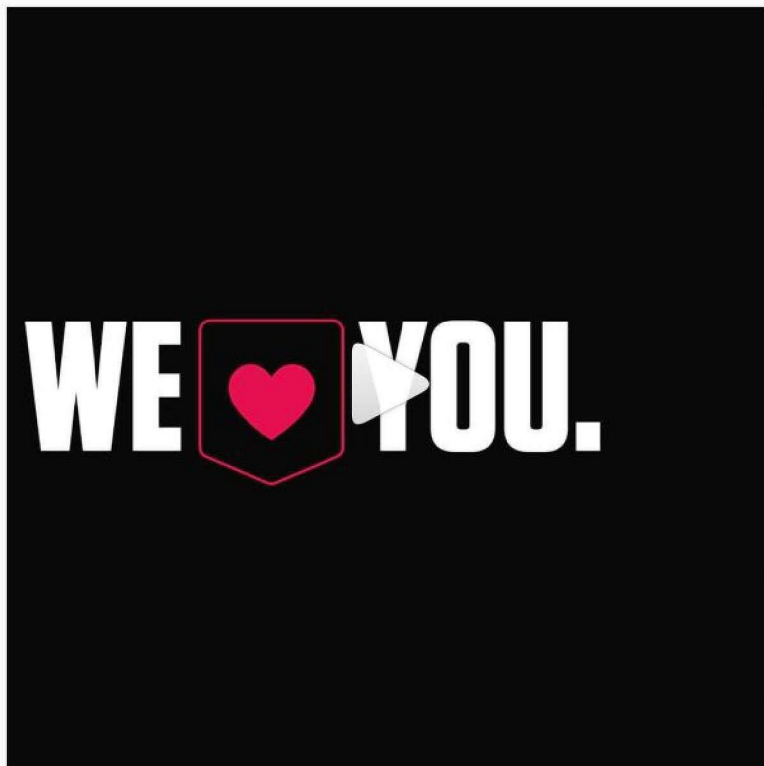
PS4: 335,802

XboxOne: 78,910

Switch: 37,928

Epic: 204,327

Total: 741,426



epicgames • Follow

epicgames 5 million followers, already?! From all of us here at the #EpicGamesStore:

We ❤️ games, and we ❤️ you.

From day one, we've set out to be a great digital storefront for PC and Mac games, designed with both players and creators in mind. Whether you're here for the news, the game trailers, the free games, or just for fun - thank you for being here.

1d

114,309 views

1 DAY AGO

Add a comment... Post

Congratulations to everyone on hitting 5 million Insta followers this week!

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# Weekly KPI Review

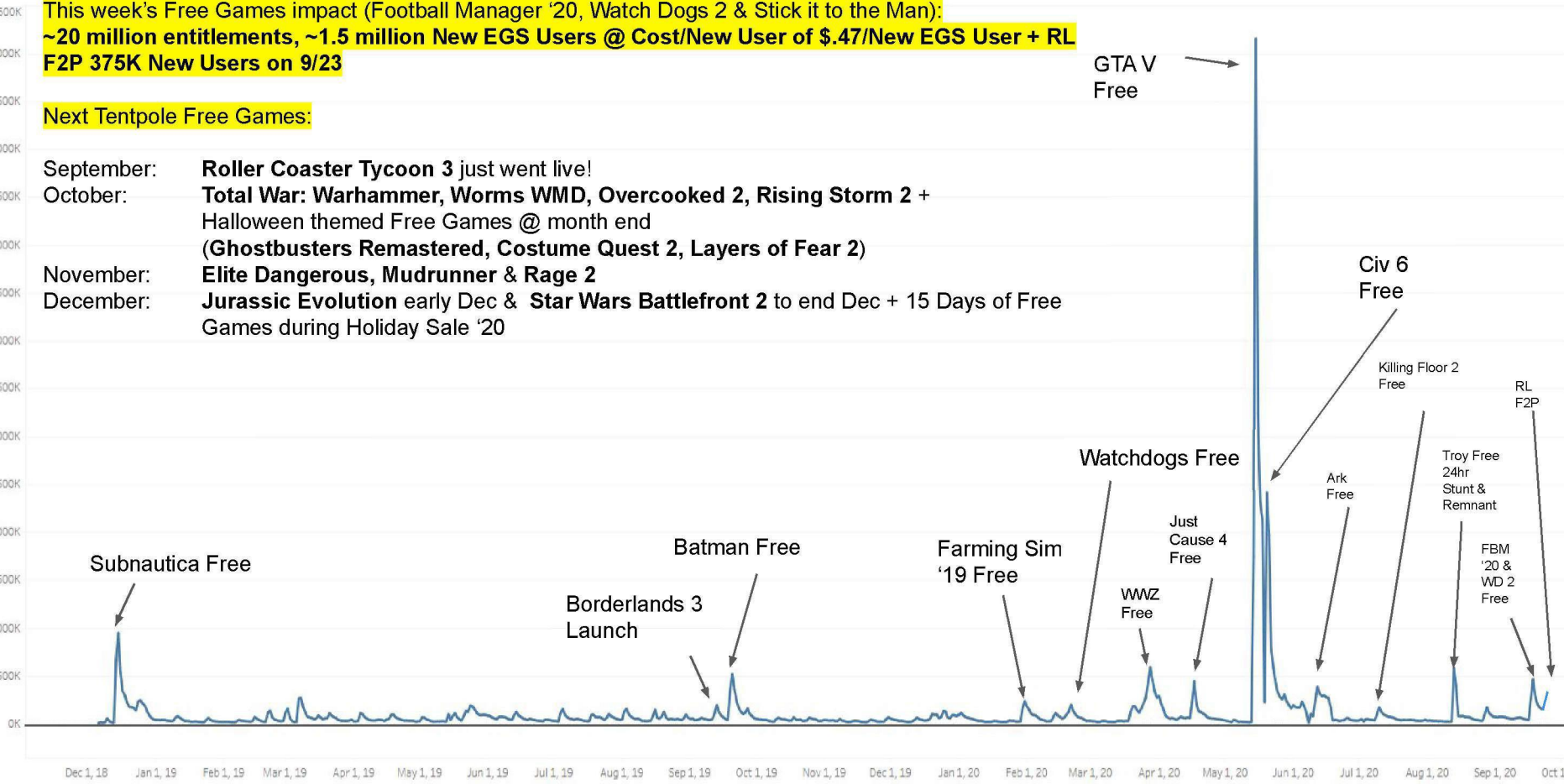
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First Epic Games Store Account action/New EGS Users (excl FN PC) by day LTD through 9/23

This week's Free Games impact (Football Manager '20, Watch Dogs 2 & Stick it to the Man):  
 ~20 million entitlements, ~1.5 million New EGS Users @ Cost/New User of \$.47/New EGS User + RL  
 F2P 375K New Users on 9/23

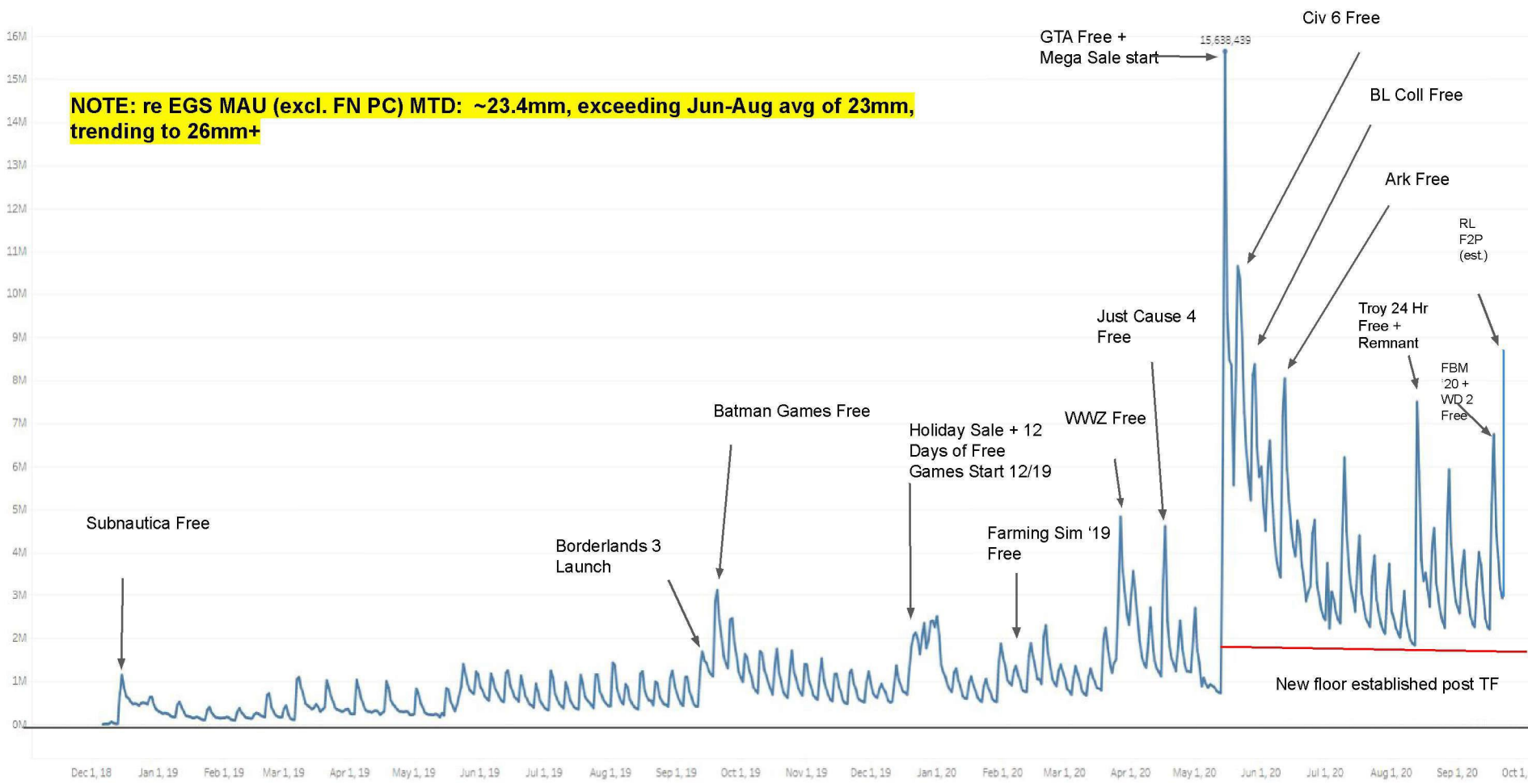
Next Tentpole Free Games:

- September: **Roller Coaster Tycoon 3** just went live!
- October: **Total War: Warhammer, Worms WMD, Overcooked 2, Rising Storm 2** + Halloween themed Free Games @ month end (**Ghostbusters Remastered, Costume Quest 2, Layers of Fear 2**)
- November: **Elite Dangerous, Mudrunner & Rage 2**
- December: **Jurassic Evolution** early Dec & **Star Wars Battlefront 2** to end Dec + 15 Days of Free Games during Holiday Sale '20

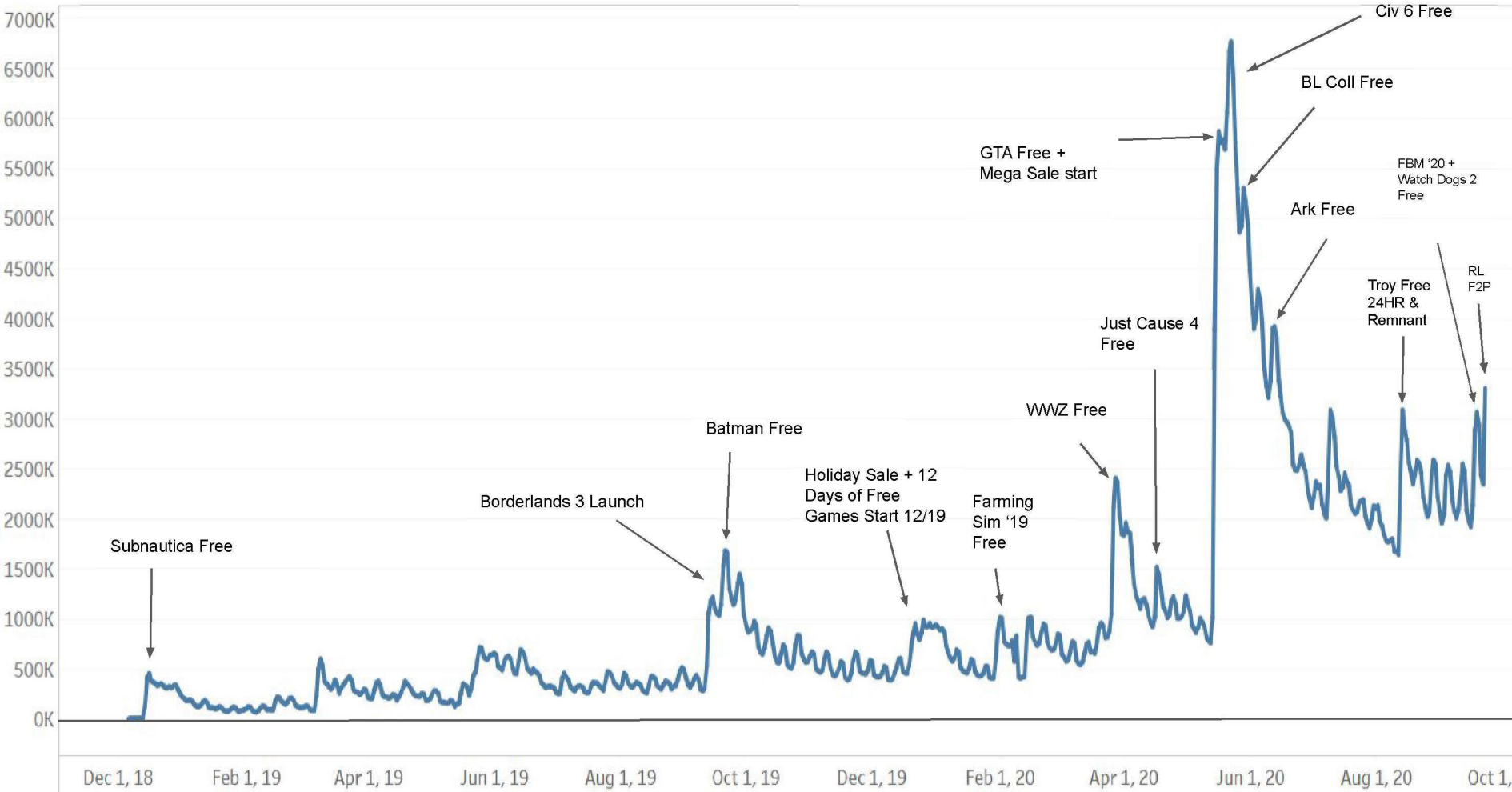


DAU All (web+launcher EGS excl. FN PC) LTD through 9/23

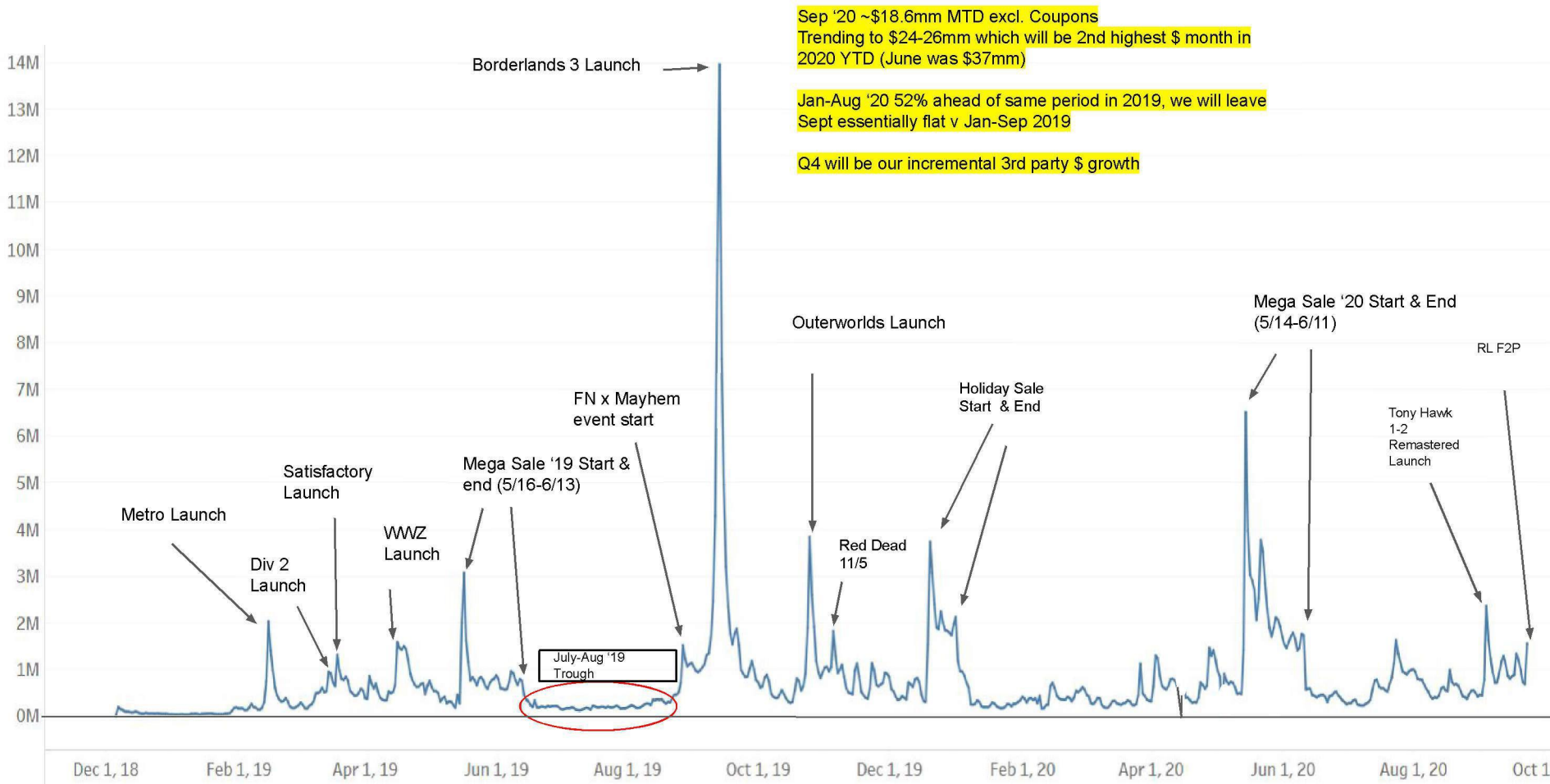
**NOTE: re EGS MAU (excl. FN PC) MTD: ~23.4mm, exceeding Jun-Aug avg of 23mm, trending to 26mm+**



# DAU Transacted or Played LTD through 9/23



# Epic Games store Daily Gross Revenue LTD through 9/23





# Sep Top 15 Sellers Revenue MTD (3rd Party titles) as % of Total

\$ Sep MTD ~\$18.6 excluding couponing, trending to \$24-26mm

<u>Rank</u>	<u>Title</u>	<u>% of \$</u>	<u>Notes</u>
1.	Tony Hawk 1-2 Remastered	~ 36 %	EGS Exclusive released 9/14/20
2.	Red Dead Redemption 2	~ 8 %	Key Sim Ship released 11/5/19
3.	Spellbreak	~ 4 %	EGS Exclusive released 2019, full release 9/3
4.	The Outer Worlds	~ 4 %	EGS Exclusive released 10/25/19 (DLC released & currently on sale)
5.	Borderlands 3	~ 4 %	Former EGS Exclusive (DLC released & currently on sale)
6.	Grand Theft Auto V	~ 4 %	Key Back Catalog added May 14th
7.	Rogue Company	~ 3 %	EGS Exclusive released into Paid Beta 7/22/20, F2P soon
8.	Crisis 1 Remaster	~ 3 %	EGS Exclusive released 9/18/20
9.	Remnant From the Ashes	~ 2 %	Released 8/13/20 as Free Game, (\$ here mostly DLC)
10.	Civ 6	~ 2 %	Key Back Catalog added 5/21/20
11.	Dauntless	~ 2 %	EGS Exclusive released May '19
12.	Snowrunner	~ 1 %	EGS Exclusive released 4/28/20
13.	Control	~ 1 %	Former EGS Exclusive rel 8/17/19, (DLC released)
14.	WWZ	~ 1 %	Lifetime EGS Exclusive released 4/16/19
15.	Rainbow 6 Siege	~ 1 %	Ubi Back Catalog added Q1 '20

Top 15 Sellers account for ~68% of MTD revenue



# Top 15 Most Played In Last 7 Days

<u>Rank</u>	<u>Title</u>	<u>Players</u>	<u>Notes</u>
1.	Grand Theft Auto V	1.6M	Featured Free 5/14 (Testflight Title)
2.	Football Manager 2020	1.4M	Featured Free 9/17
3.	Watch Dogs 2	1.0M	Featured Free 9/17
4.	Rocket League	0.9M	Free to Play 9/23
5.	Spellbreak	0.8M	Free to Play, launched 9/3
6.	Hitman	0.3M	Featured Free 8/27
7.	Sid Meiers Civilization VI	0.2M	Featured Free 5/21
8.	Railway Empire	0.2M	Featured Free 9/10
9.	Borderlands 3	0.17M	EGS Exclusive released Sept '19
10.	Remnant From the Ashes	0.16M	Featured Free 8/13
11.	Dauntless	0.14M	Free to Play (content update last week)
12.	Ark	0.13M	Featured Free 6/11
13.	Enter The Gungeon	0.12M	Featured Free 8/20
14.	Troy	0.11M	Free First 24 hours 8/13
15.	WWZ	0.11M	Featured Free 3/26

7.7M Unique Players in the last 7 days (last week 5.9M), Top 4 Titles account for 64% of Active Players

# Updates & Key Beats

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# September 2020 Roadmap as of September 21st

## Expected Game Release Activity

### New Release

- WRG 9 (Deluxe Edition) (September 1st)
- Diabotical (September 3rd)
- Spellbreak (September 3rd)
- Tony Hawk's Pro Skater (September 3rd afterhours)
- Kingdom of Amalur Re-Reckoning (September 8th)
- As Far As The Eye (September 10th)
- The Unfinished Swan (September 10th)
- Path of Exile (September 16th)
- The Dungeon of Nahulbeuk (September 17th)
- Hades (Leaves Early access) (September 17th)
- Crysis 1 Remastered (September 18th)
- CastleStorm II (September 23rd)**
- Rocket League (September 23rd)**
- art of rally (September 23rd)**
- Alluris (September 24th)
- Heroes and Generals (September 24th)
- Going Under (September 24th)
- Port Royale 4 (September 25th)
- Mafia Definitive Edition 1 (September 25th)
- Mafia Definitive Edition 2 (September 25th)
- Mafia Definitive Edition 3 (September 25th)
- Mafia Definitive Edition Trilogy (September 25th)
- Freedom Fighters (September 28th)

\*Converting from Prepurchase **At Risk**

### New PDP

- Crysis Remastered (September 1st)
- Seougebringer (September 3rd)
- Recompile (September 3rd)
- Scott Pilgrim vs The World (September 10th)
- Rocket League (Add On) (September 15th)
- Phoenix Point (Year One Edition) (September 17th)
- The Solitaire Conspiracy (September 22nd)**
- Nour (September 22nd)**
- 3 out of 10 Season Bundle (September 24th)**

### Pre Purchase

- CastleStorm II (September 9th)
- Immortals Fenyx Rising (rebrand) (September 10th)
- Riders Republic (September 10th)
- Prince of Persia (September 10th)
- Godfall (September 12th)
- Twin Mirror (September 15th)
- Amnesia: Rebirth (September 15th)
- Chostrunner (September 15th)
- Port Royal 4 (September 17th)
- Dragon Quest XI S (September 24th)**
- Football Manager 2021 (September 24th)**

### Alpha/Beta/Demo

- Killing Floor 2 (Closed Beta) (September 1st)
- Rising Storm 2: Vietnam (Beta) (September 3rd)
- Kine (Demo) (September 8th)
- Startup Panic (Demo) (September 10th)
- CastleStorm II (Demo) (September 12th)
- Rogue Company (Open Beta) (October 1)

### Updates

- Zombie Army 4 (DLC 5) (September 1st)
- Borderlands 2 (DLC 5) (September 1st)
- Predator: Hunting Grounds (Dutch 87 DLC) (September 1st)
- Magic the Gathering (Zendikar Rising) (September 1st)
- Industries of Titan (Update 4) (September 1st)
- Rogue Company (Skins) (September 2nd)
- 3 Out Of 10 (Episode 5) (September 3rd)
- WRG 9 (Standard Edition/DLC Release) (September 3rd)
- Fuser (PDP Update - Release Announce) (September 3rd)
- Foregone (Ingame) (September 7th)
- SMITE (Patch) (September 8th)
- Rainbow Six Siege (Welcome Pack DLC) (September 8th)
- RUNE II (The Campaign Update) (September 9th)
- The Outer Worlds (DLC) (September 9th)
- Control (Complete Edition Release) (September 9th)
- Borderlands 3 (DLC 4) (September 10th)
- The Cycle (DLC) (September 10th)
- Surviving the Aftermath (#10) (September 17th)
- Dauntless (Untamed Wilds) (September 17th)
- For Honor (DLC Year 4 Season 3) (September 17th)
- Atomiereps (1.1 Page Update) (September 17th)
- Path of Exile (Heist In-game update) (September 18th)
- Snowrunner (DLC 11) (September 22nd)**
- Total War (Troy) (Mae Support) (September 22nd)**
- Rogue Company (New Rogue) (September 23rd)**
- Untitled Goose Game (PDP Update) (September 23rd)**
- Civilization VI (DLC) (September 24th)
- Total War (Troy) (Amazons DLC) (September 24th)
- As Far As The Eye (Update) (September 25th)
- Killing Floor 2 (Fall Update/DLC) (September 29th)



# September 2020 Roadmap **as of September 21st**

## Sales, Specials & Promotions

### Sales

~~Custom Sale~~ — GTA V + The Outerworlds (September 3rd to September 24th)

~~Custom Sale~~ — Missile Command: Recharged (Custom Discount)(September 4th)

~~Custom Sale~~ — Rogue Company (Custom Discount)(September 4th)

~~Custom Sale~~ — SMITE — Gem Packs (September 4th to September 14th)

~~Custom Sale~~ — Death Stranding (September 9th to September 16th)

**Store Campaign** - Creators Choice Sale (September 10th -September 24th)

**Store Campaign** - Ubisoft FWD #2 + Publisher Sale (September 10th -September 24th)

**Custom Sale** - Red Dead 2, Borderlands, CIV 6\*, Ancestors (September 10th to September 24th; \*CIV 6 extended to September 29th )

**Custom Sale** - Jedi Fallen Order (September 14th to September 21st)

**Custom Sale** - SnowRunner (September 24th to October 1st)

### Specials

~~Price Reduction~~ — WRC 8 (September 1st)

~~Price Reduction~~ — Control (Standard Edition) (September 9th)

~~Launch Discount~~ — Hades (leaving Early Access) (September 17th)

### Promotions

**Promo Giveaway** for Ubisoft Forward 2 event - Watch Dogs 2 (September 17th-24th)



# September 2020 Roadmap **as of September 21st**

## Free Games Rotation

		Aug 27th - Sep 3rd	Sep 3rd - Sep 10th	Sep 10th - Sep 17th	Sep 17th - Sep 24th	Sep 24th - Oct 1st				
<b>Coming Soon</b>	<b>W K 1</b>	Into the Breach (Encore)	<b>W K 2</b>	Where the Water Tastes Like Wine Railway Empire	<b>W K 3</b>	Stick it to the Man	<b>W K 4</b>	Roller Coaster Tycoon 3	<b>W K 5</b>	Pikuniku
<b>FREE</b>		Shadowrun Collection Hitman: The Complete First Year		Into the Breach (Encore)		Where the Water Tastes Like Wine Railway Empire		Stick it to the Man Football Manager 2020		Roller Coaster Tycoon 3
<b>PAID</b>		God's Trigger Enter the Gungeon (Encore)		Shadowrun Collection Hitman: The Complete First Year		Into the Breach (Encore)		Where the Water Tastes Like Wine Railway Empire		Stick it to the Man Football Manager 2020

### Other Free Offerings

- ★ **Watch Dogs 2** will be offered for Free Sep 17th-Sep 24th
- ★ **Borderlands 2 DLC 5 (Commander Lilith)** to release as Free for a month starting September 1st

### Heads Up

- ★ **Football Manager 2020** will not release a Coming Soon page. When it releases to PAID, **Football Manager 2021** will become available for PrePurchase

## What's Next: Key EGS Beats

<u>Month</u>	<u>Key Exclusives</u>	<u>Key Sim Ships</u>	<u>Tentpole Free Games</u>	<u>Promotions/Sales Events</u>
September	Tony Hawk 1-2 Remastered Rocket League F2P launch FN/RL Crossover	Iron Harvest*	Football Manager 2020 Rollercoaster Tycoon 3 Watch Dogs 2	Creator Showcase (Indie) Ubi Forward Take 2 Custom Sales
October	Watch Dogs: Legion Rogue Company F2P launch	Star Wars Squadrons	Total War Warhammer 1 Ghostbusters Remastered	Halloween Sale
November	Godfall Assassin's Creed Valhalla	Football Manager 2021 Cyberpunk 2077	Elite Dangerous Mudrunner	Black Friday Sale <i>Early Access Sale</i>
December	Rainbow 6 Quarantine Twin Mirror Fortnite CH2/S5	None	Jurassic World Evolution Star Wars Battlefront 2 Rage 2	15 Days of Free Games Holiday Sale 2020 <i>TGA Sale</i>

# Rocket League EGS Day 1

# RL Stuff.....

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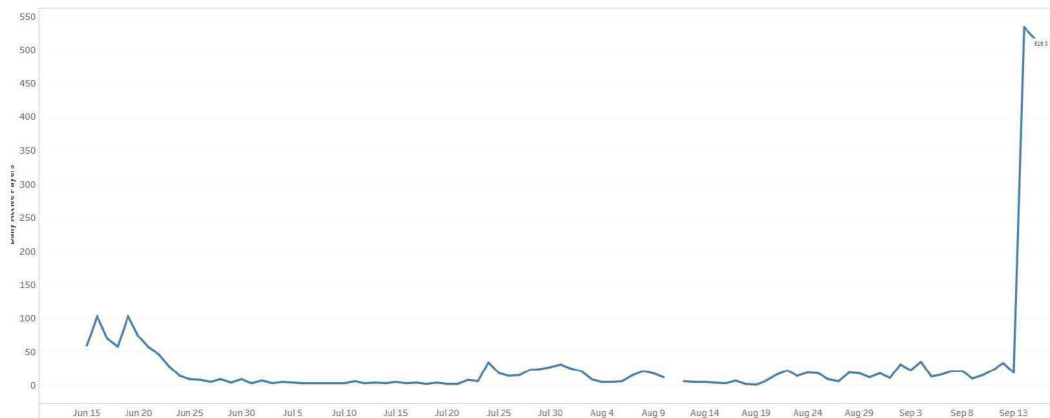
## Discussion

## Fortnite x Star Wars Squadrons Pre Order impact

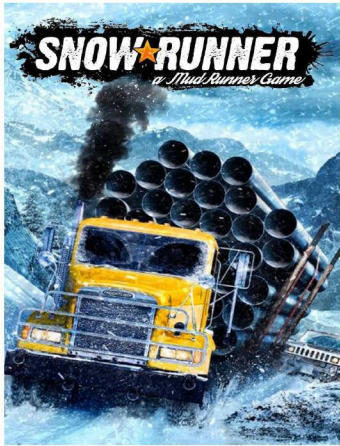


Trailer with end slate for FN item dropped 9/13 backed by social & EGS PDP updated.

Preorders on EGS increased ~2600% over prev week's avg & are now on a nice trajectory leading into the 10/2 launch here.



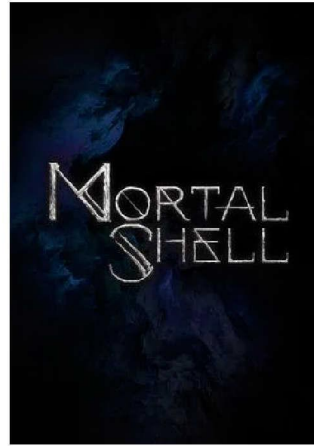
## Recent Successes v MG



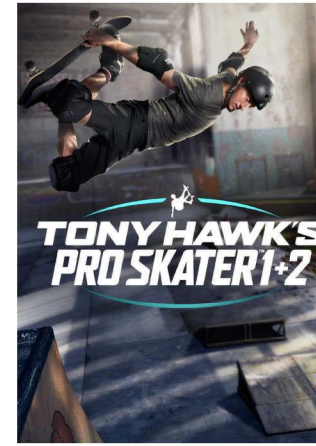
April '20 release  
**62% earned out**  
Expected to 100%  
earn out \$20mm MG  
In Q4 '20  
(Mudrunner free  
Thanksgiving week  
paired with promo +  
Holiday Sale)



June '20 release  
**100% earned out** small MG  
\$750K



Aug '20 release  
**100% earned out MG in**  
**first week**  
\$1.5mm



Sep '20 release  
**100% earned out MG**  
**In first 2 days**  
\$4mm



Oct '20 F2P release  
(cross play, cross progression, UE4)  
**44% earned out during Paid Beta**  
which started in July '20  
Expected to 100% earn out \$12mm  
MG in Q4 '20 after full F2P release

# INFOGRAPHIC 2020

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PC

# 108M

Epic Games Store  
PC customers

## \$680M

spent by PC  
players in the  
Epic Games Store

## \$251M

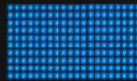
spent by players on  
third-party PC games in  
the Epic Games Store\*

Over \$23,000,000 of coupons  
and discounts fully funded by Epic

\*These numbers reflect actual spending by customers and don't include the value of coupons, Epic funding of developers, or other promotions.

# 73

free  
games



200M+  
free games claimed



\$1,455\* in total value

OpenCiti

**108M**  
**Epic Games Store**  
**PC customers**

We'll end 2020 + ~90-110mm PC  
Customers

or

~200-215mm/2x/+~100% at minimum  
potentially more



We got to the \$680mm in context of LTD of EGS revenue, including Dec 2018 EGS launch month + 2019

Dec 2018 was a tiny month for EGS: \$1.5mm - but - a big month for FN on PC: \$64mm

We grossed up both #s by including VAT & taxes paid by players, appx ~10.5%

Doing a 2019 v 2020 comp as a % is totally doable, doing a # v this number will show regression because of FN Dec '18.

Estimates of 2019 v 2020 \$ is 10-30% \$ growth v 2019 (EGS 3rd party+FN PC+RL EGS PC)

**NOTE: Us revealing a specific \$ # was a problem for Take 2 & Ubi as public companies. We now have EA and ATVI here as well**



2020 will be:

- ~90 Free Games
- ~600mm free games claimed
- ~\$3,000 in total value



# Additional Candidate KPIs/Topics for 2020 IG

3rd Party Games avg DAU increase as a %, YTD ~+285%

3rd Party Games avg WAU increase as a %, YTD ~+244%

3rd Party Games avg MAU increase as a %, YTD ~+230%

EGS MAU 61mm (highest YTD & is Launcher ALL)

Avg Hours Played increase as a %, YTD ~+538%

Players playing a game/month increase as a %, YTD ~+253%

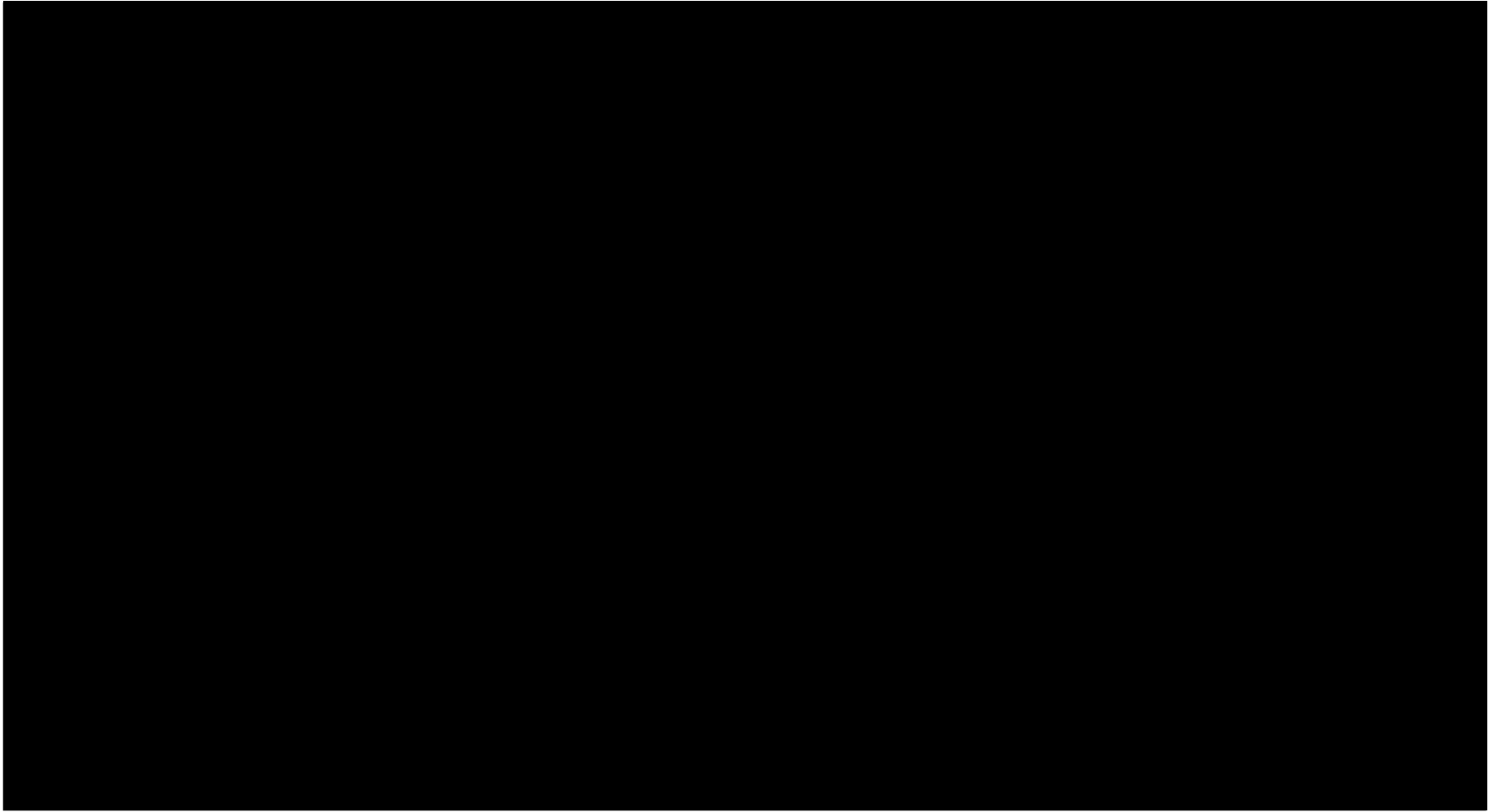
Conversion Rate of Free Game Players to Paid ~8%

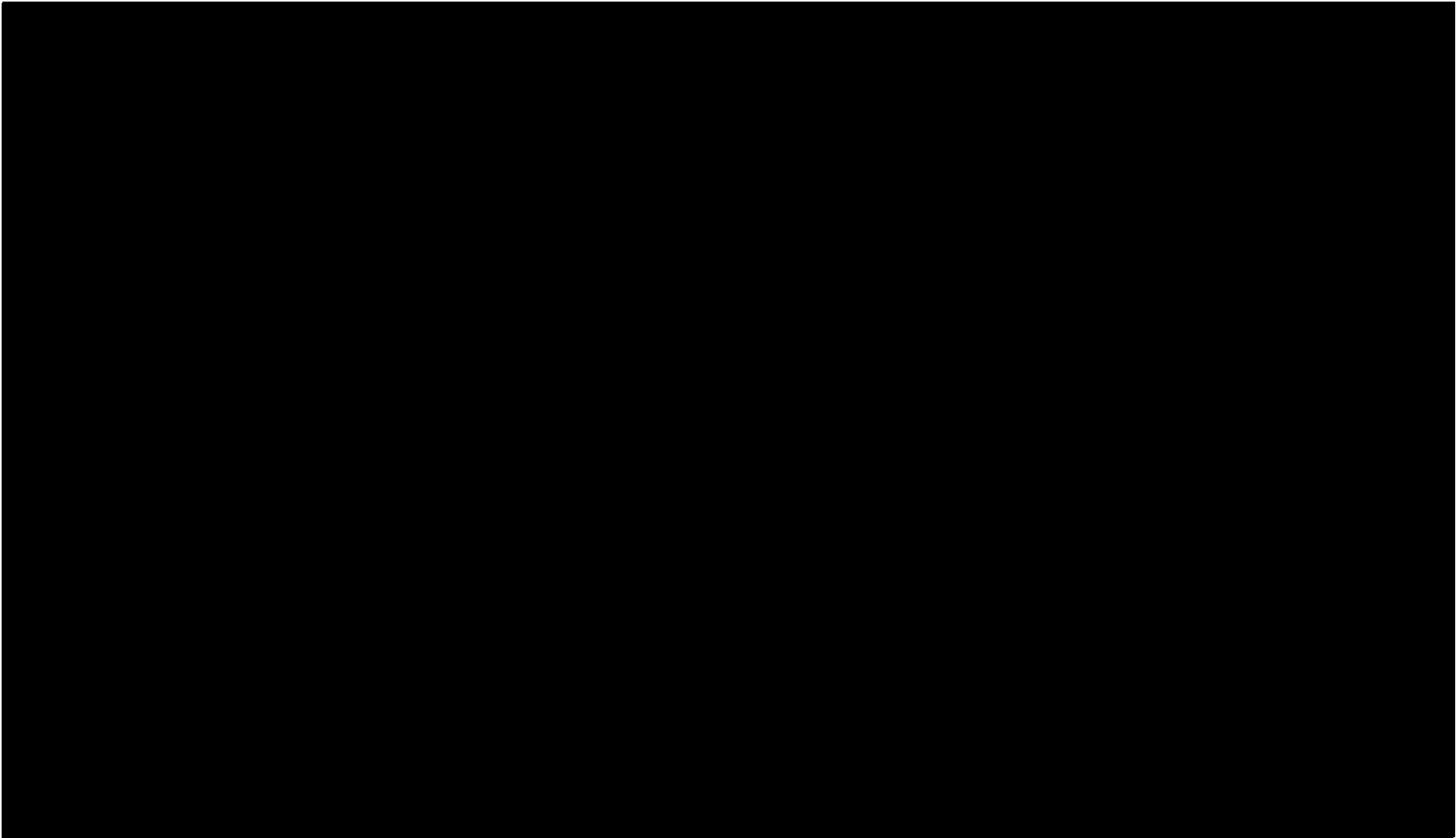
List of Features shipped

?Time IG release to announcement of EGS Open Store?

# Biz Dev Topics

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# Microsoft TLA

Microsoft is sending out the Xbox Series X TLA to indie devs. It requires Xcloud support.

Microsoft is using harsh language around the requirement. (sign or be removed from Xbox)

Some of our partners are concerned this violates their EGS exclusive commitments.

Decision:

- Amend our agreements to allow for Xcloud?
- Push our partners to not sign the TLA?

# Aug Top 15 Sellers Revenue FINAL (3rd Party titles) as % of Total \$Aug ~14.5mm excluding couponing

<u>Rank</u>	<u>Title</u>	<u>% of \$</u>	<u>Notes</u>
1.	Rogue Company	~14 %	EGS Exclusive released into Paid Beta 7/22/20, F2P soon
2.	Mortal Shell	~11 %	EGS Exclusive released 8/18/20
3.	Remnant From the Ashes	~ 8 %	Released 8/13/20 as Free Game, \$ here mostly DLC
4.	Tony Hawk 1-2 Remastered	~ 7 %	EGS Exclusive releases 9/14/20
5.	Horizon Zero Dawn	~ 5 %	Key Sim Ship released 8/7/20
6.	Total War Troy	~ 3 %	EGS Exclusive released 8/13/20 (w/initial 24HR Free)
7.	Grand Theft Auto V	~ 3 %	Key Back Catalog added May 14th
8.	Snowrunner	~ 3 %	EGS Exclusive released 4/28/20
9.	Borderlands 3	~ 3 %	Former EGS Exclusive rel 9/13/19
10.	Control	~ 3 %	Former EGS Exclusive rel 8/17/19
11.	Civ 6	~ 3 %	Key Back Catalog added 5/21/20
12.	WWZ	~ 2 %	Lifetime EGS Exclusive released 4/16/19
13.	Red Dead Redemption 2	~ 2 %	Key Sim Ship released 11/5/19
14.	Rainbow Six Siege	~ 2 %	Ubi Back Catalog
15.	Ark Survival Evolved	~ 2 %	Key Back Catalog Added 6/11/20

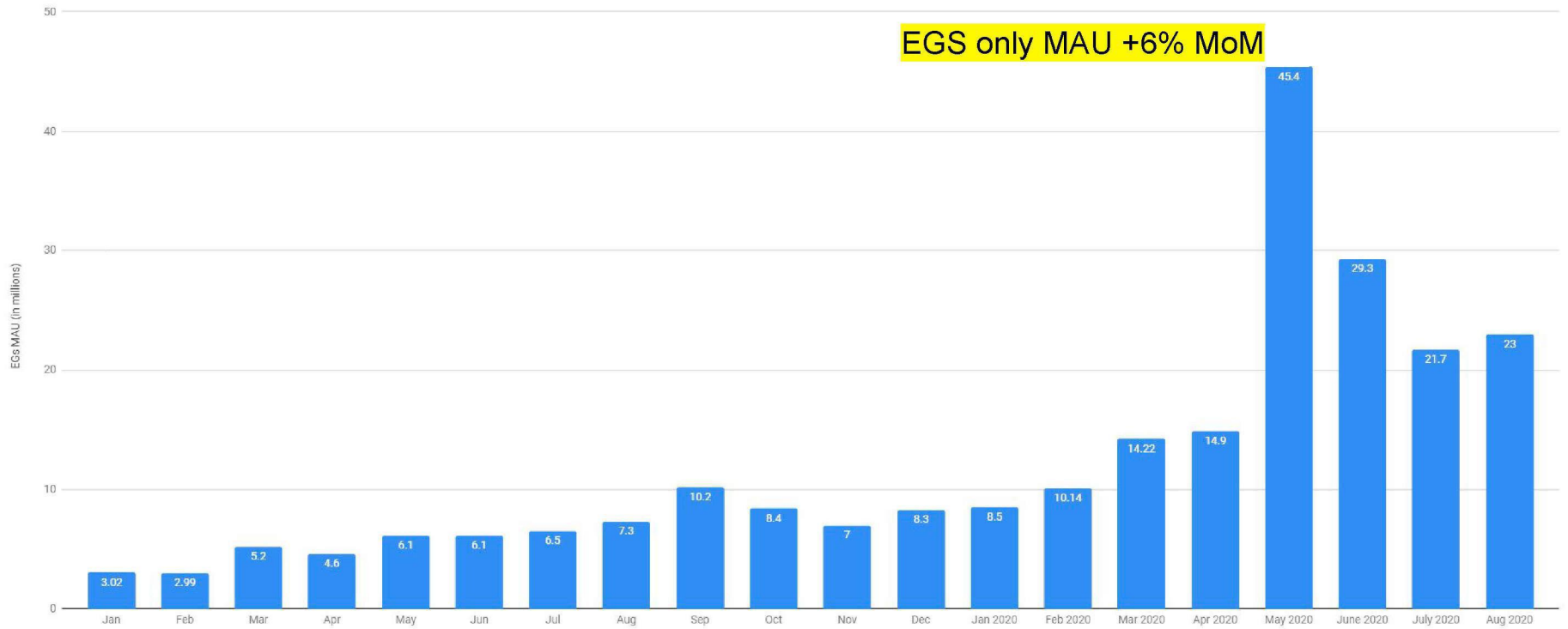
Top 15 Sellers account for ~71% of MTD revenue (~304 total games in catalog)

# August '20 Month End

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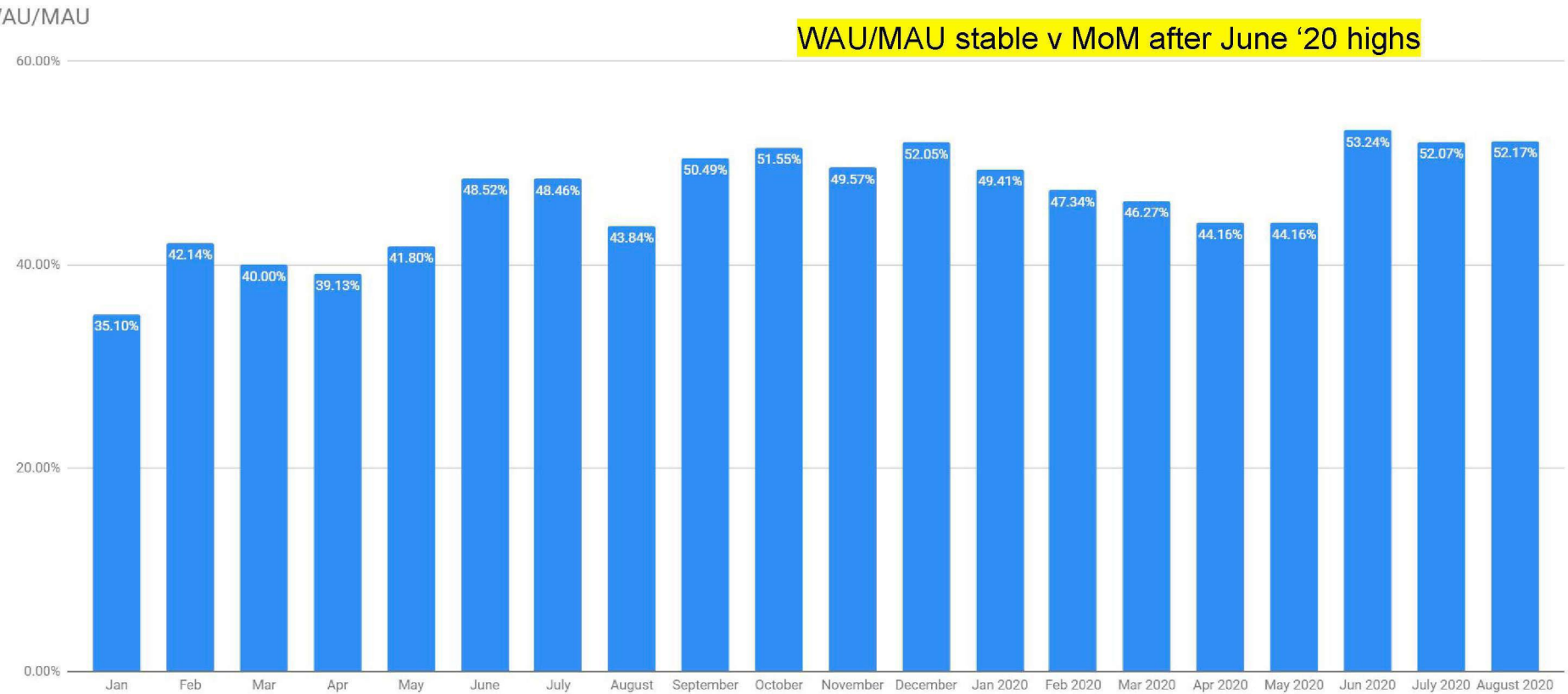
# EGS MAU (excl. FN PC) LTD through Aug '20

EGs MAU excl. FN PC (in millions)

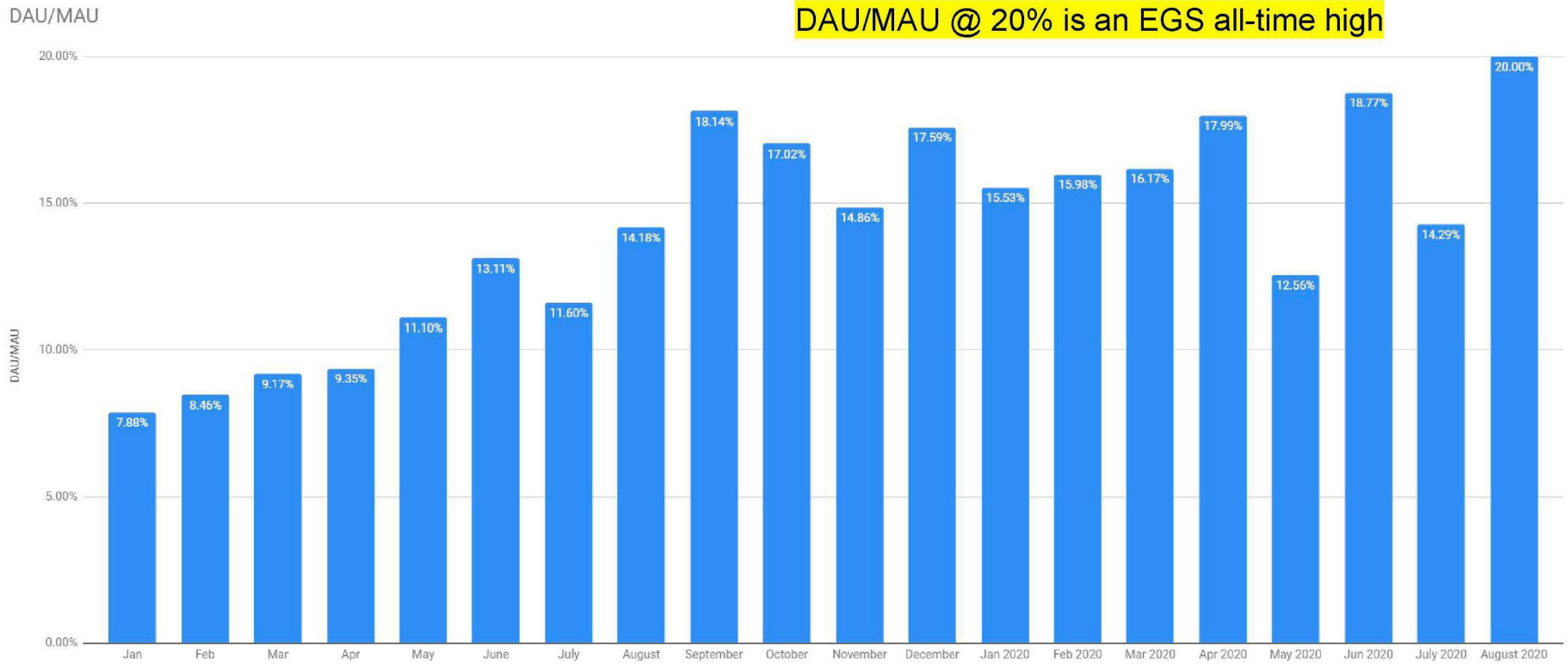




# EGS WAU/MAU (excl. FN PC) LTD through Aug '20



# EGS DAU/MAU (excl. FN PC) LTD through Aug '20

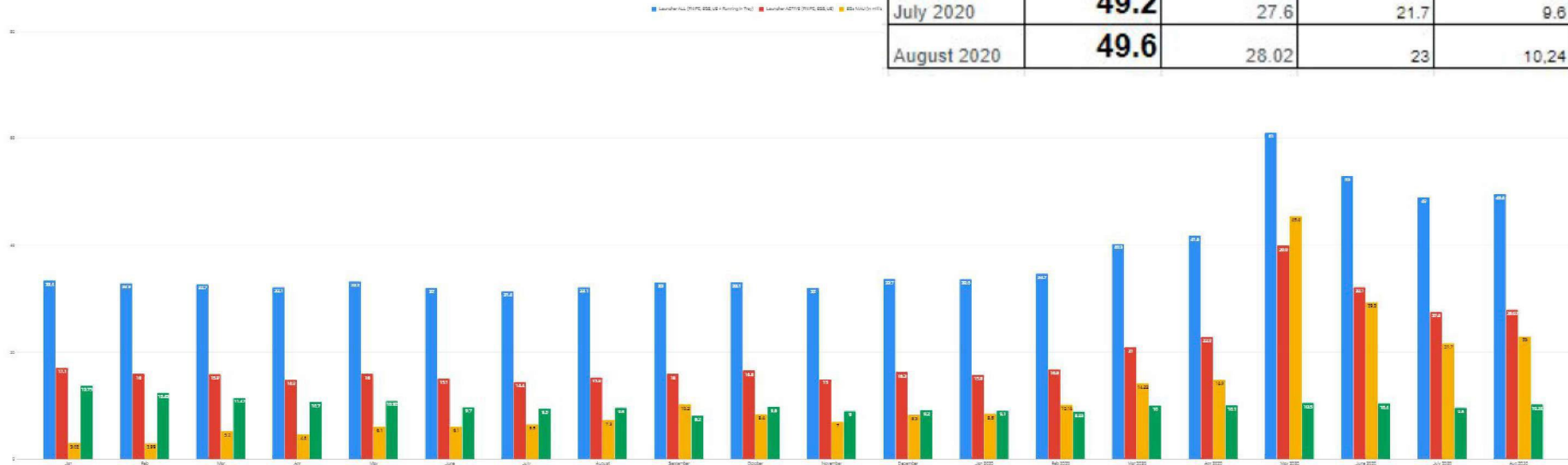


# “All the MAUs” LTD through Aug ‘20

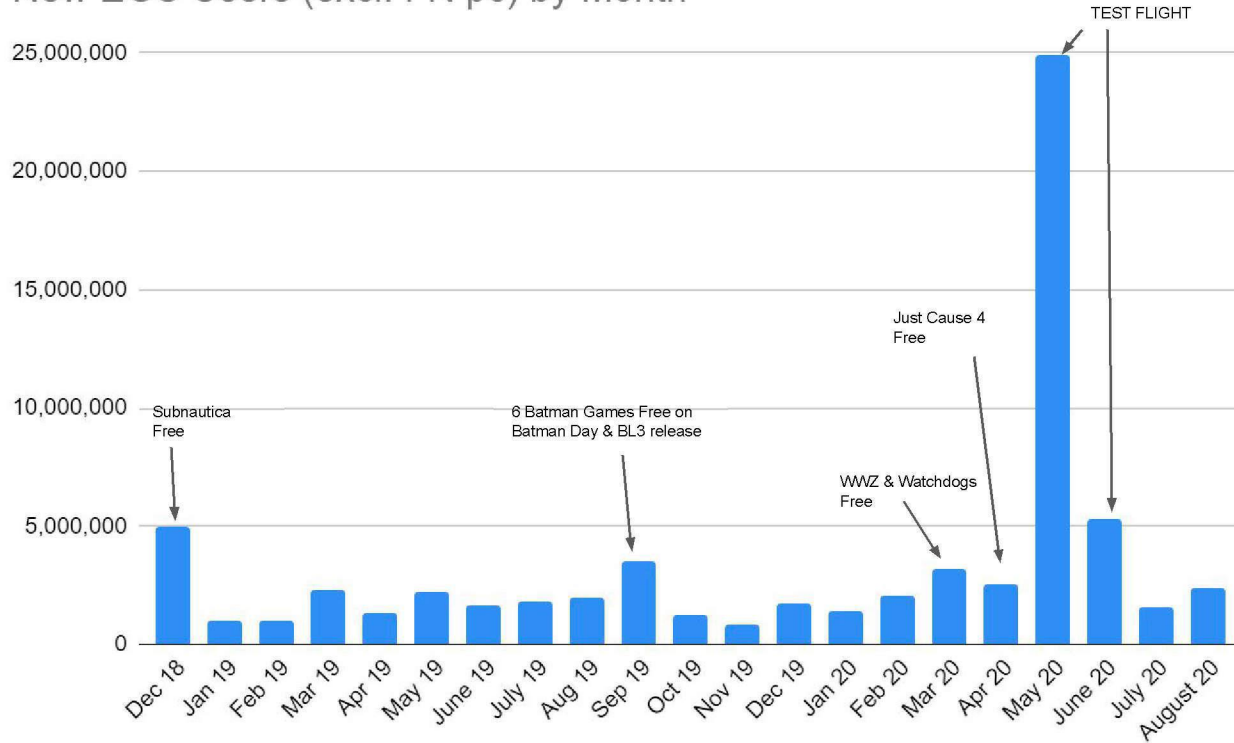
**Launcher ALL MAU** 49.6mm ~flat% v July  
**Launcher ACTIVE MAU** 28.02mm +1.5% v July  
**EGS MAU (excl. FN PC)** 23mm +6 % v July  
**FN PC MAU** 10.24mm +6.6 % v July

MAUs in millions				
2020 by Month	Launcher ALL (FN PC, EGS, UE + Running in Tray)	Launcher ACTIVE (FN PC, EGS, UE)	EGs MAU (in millions)	FN PC MAU
Jan 2020	33.6	15.8	8.5	9.1
Feb 2020	34.7	16.8	10.14	8.93
Mar 2020	40.3	21	14.22	10
Apr 2020	41.8	22.9	14.9	10.1
May 2020	61	39.9	45.4	10.5
June 2020	53	32.1	29.3	10.4
July 2020	49.2	27.6	21.7	9.6
August 2020	49.6	28.02	23	10.24

Launcher ALL (FN PC, EGS, UE & Running in Tray), Active Launcher (FN PC, EGS, UE), EGs MAU and FN PC MAU (in millions)

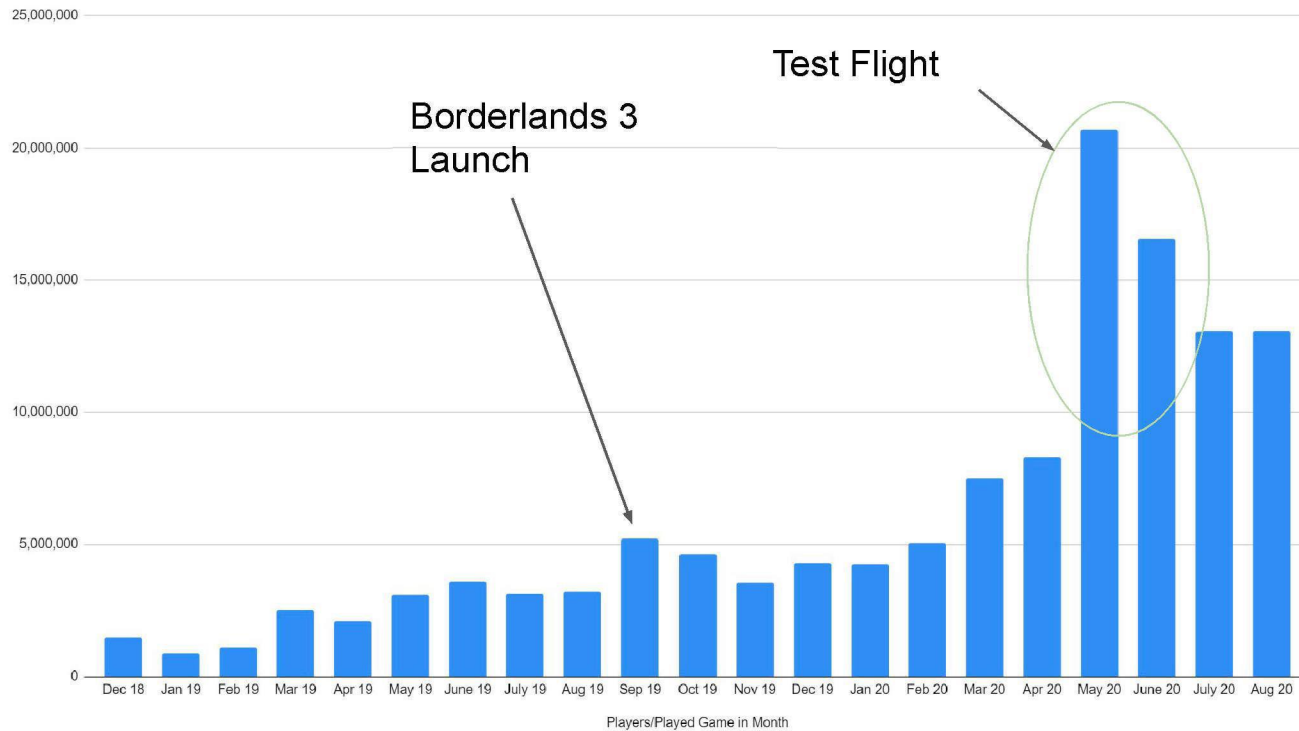


## New EGS Users (excl. FN pc) by Month



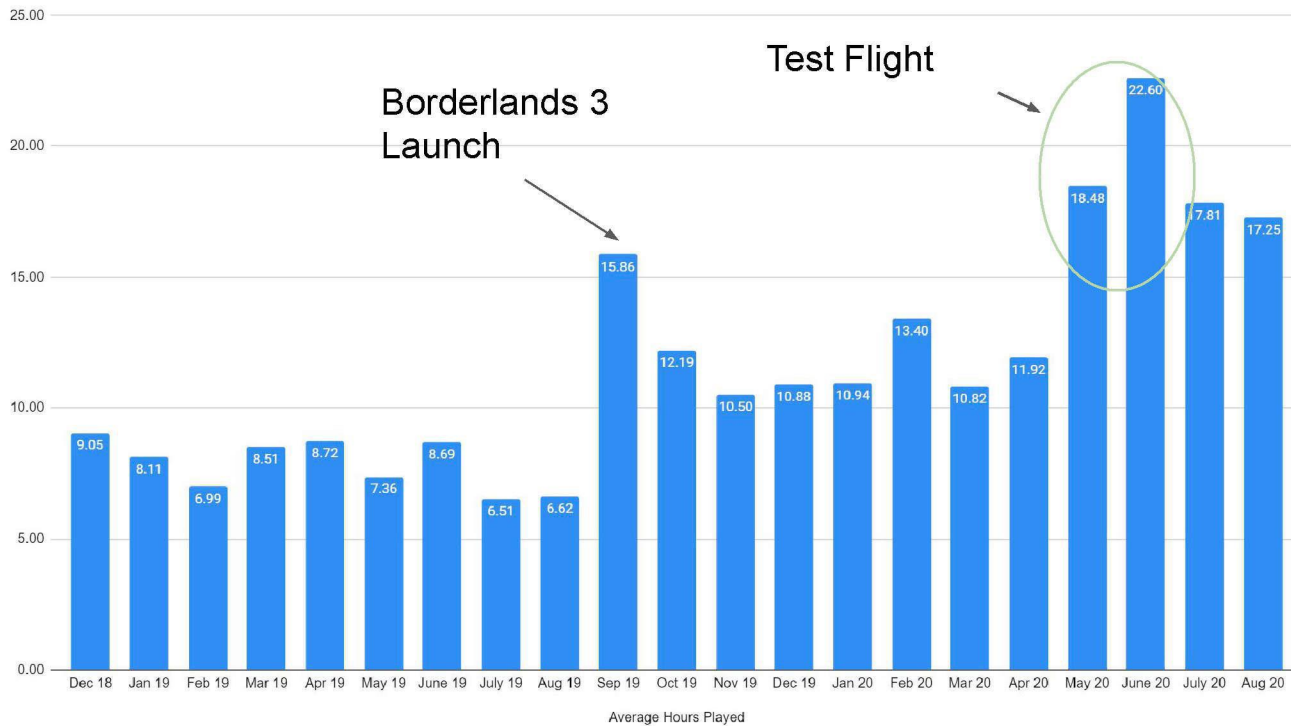
**Aug New EGS Users ~2.34mm, up 46% v July '20 driven by Troy free 24HRs, Remnant & Hitman**

# Unique Players that Played Game in Month - EGS 3rd Party Games



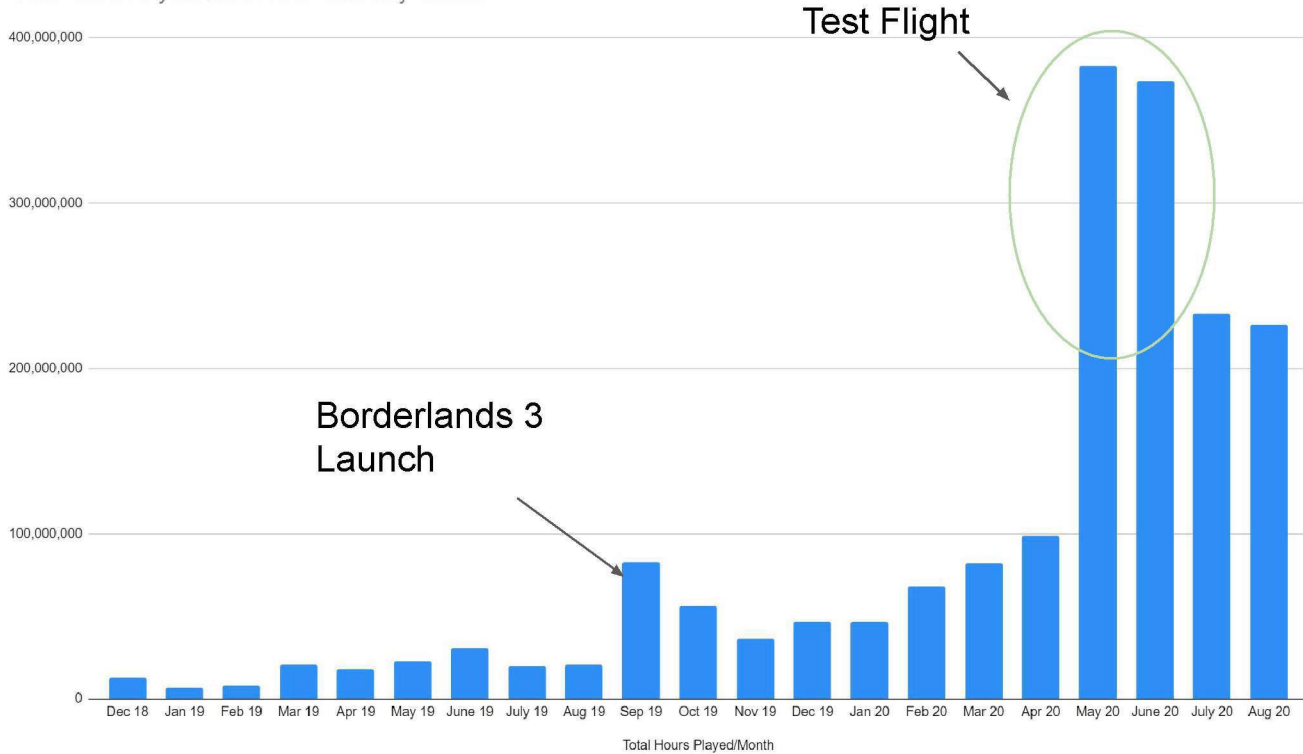
**Unique Players that Played a 3rd Party EGS game Aug '20= ~13 million flat v July  
&  
appears to be a new floor post Test Flight**

Average Hours Played EGS 3rd Party Games/Month



**Average Hours Played by EGS Players (excl FN PC) Aug '20= 17.25 down ~3% v July**

Total Hours Played/Month EGS 3rd Party Games

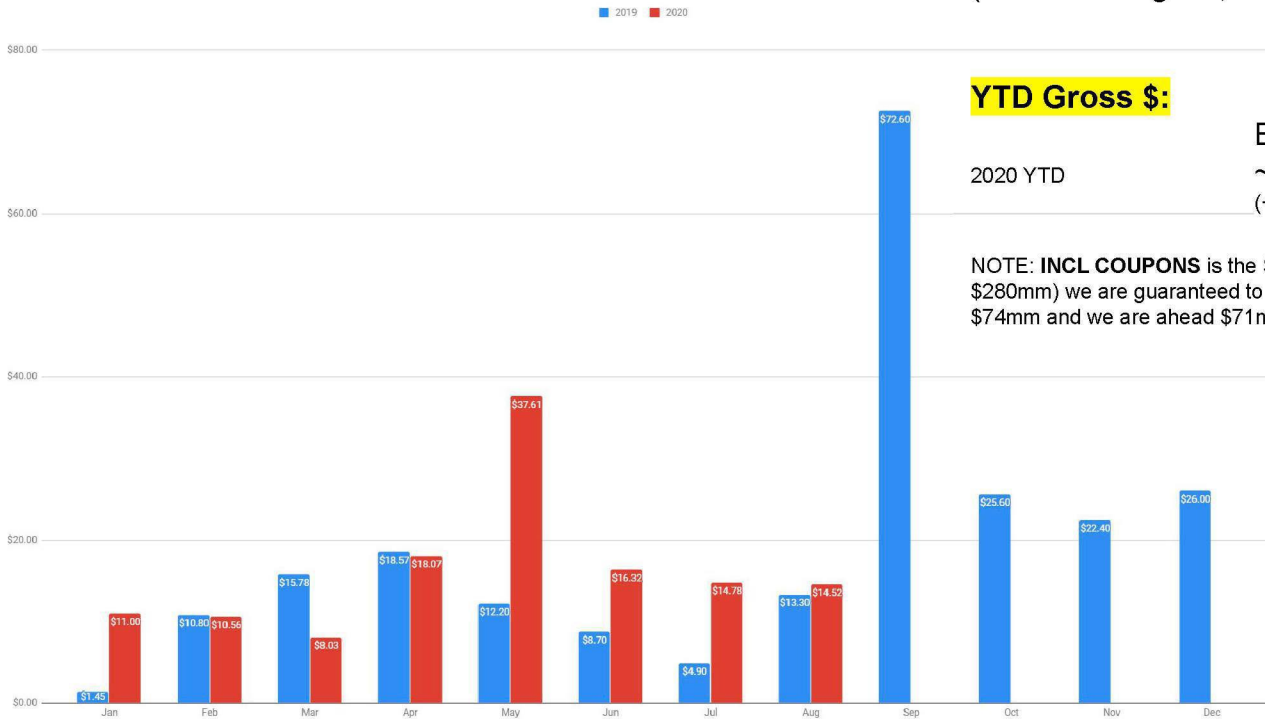


**Total Hours Played EGS 3rd Party Games Aug'20 = 226 million down ~3% v July**

# EGS Gross \$ by month through Aug '20 (excl. couponing)

Aug '20 Gross excl. couponing \$14.5mm  
 (-1.36% v Aug '20, +~9% v Aug '19)

EGS Gross \$ by Month (excl. coupons & in millions)



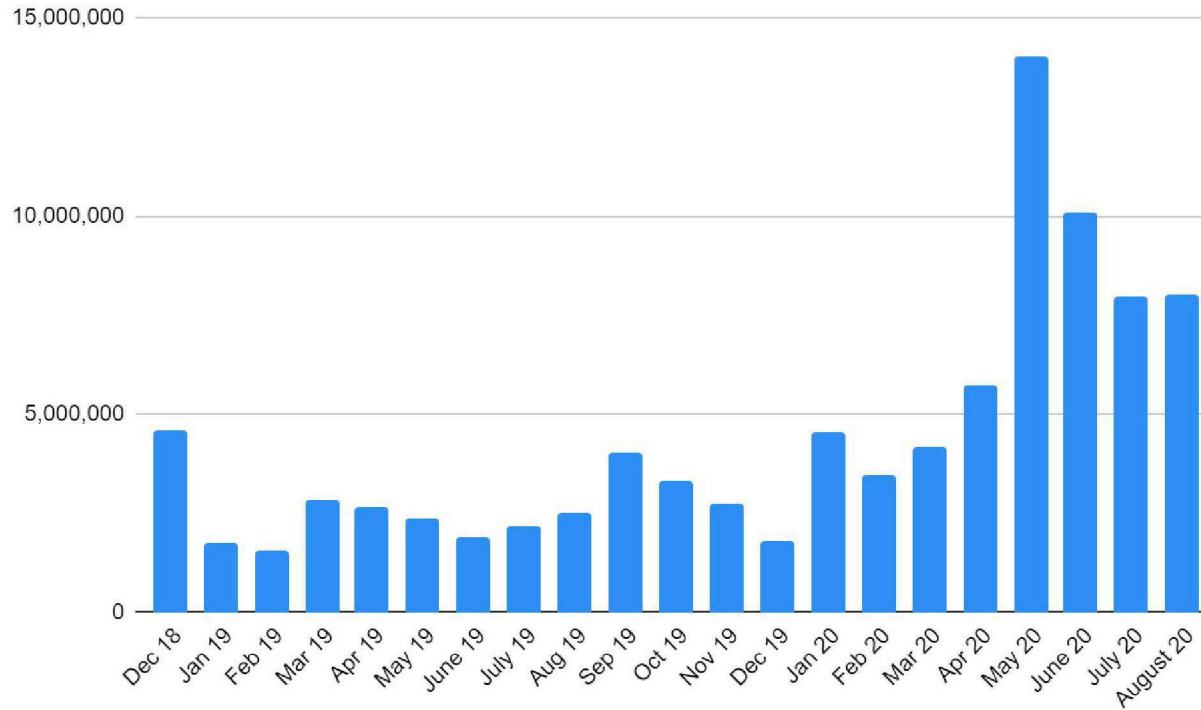
## YTD Gross \$:

2020 YTD	Excl. Coupons ~\$131mm (+54%/+\$46mm v '19)	Incl. Coupons ~\$178mm (+66%/+\$71mm v '19)
----------	---	---

NOTE: **INCL COUPONS** is the \$ # used in the EGS Infographic (\$233mm v \$280mm) we are guaranteed to be ahead of this # at end of Sept as Sept 2019 was \$74mm and we are ahead \$71mm on this metric

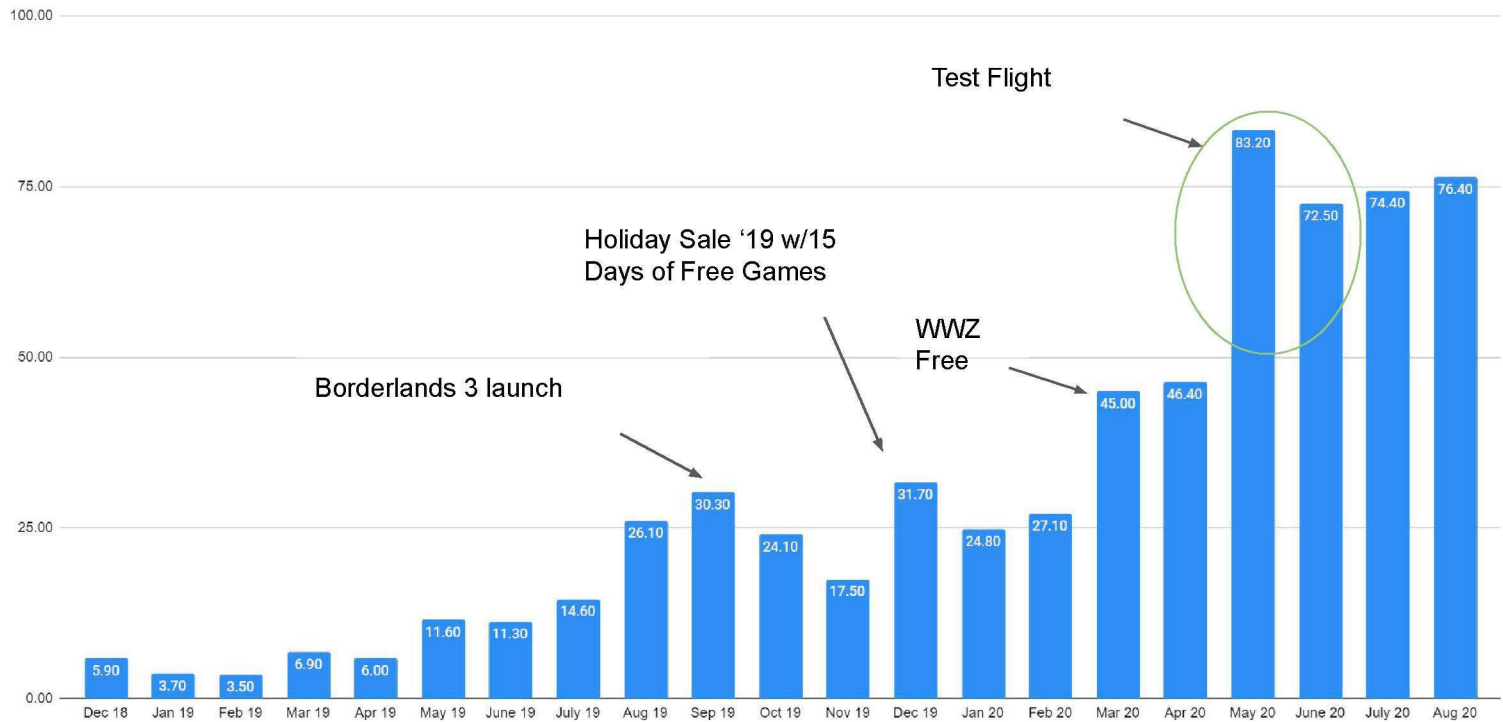


## Average Entitlements/Free Game by Month



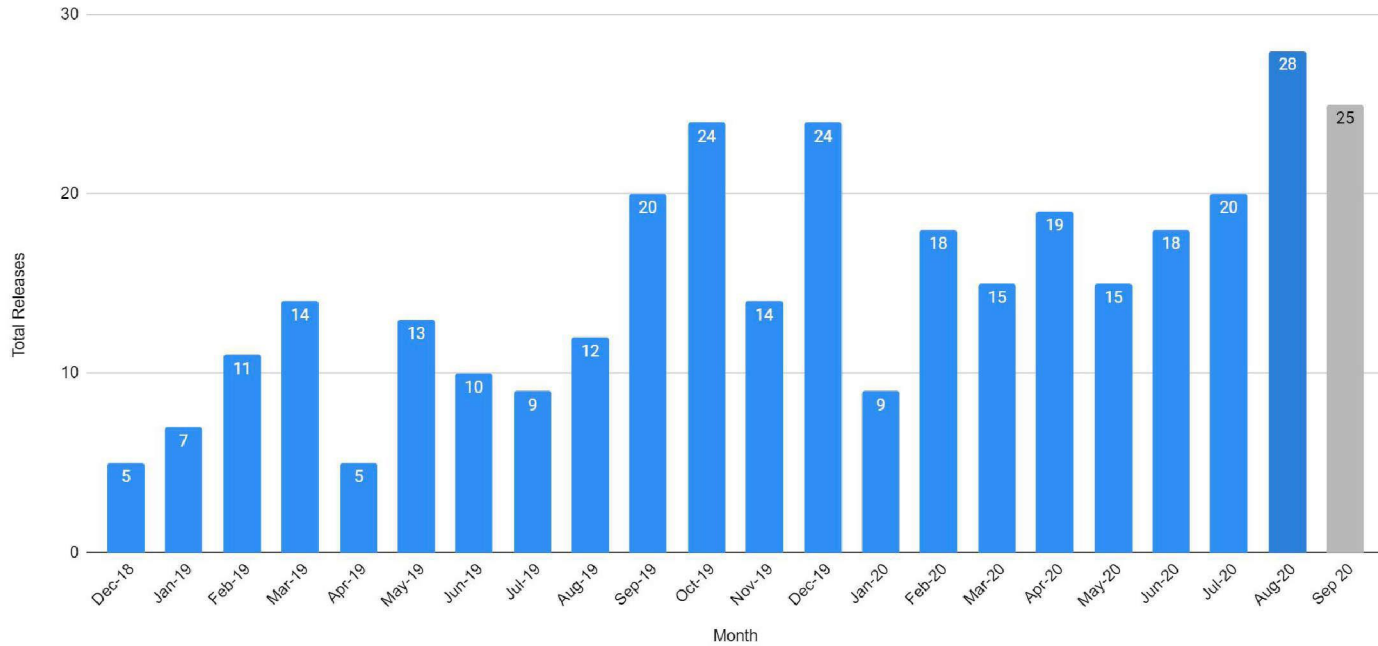
**Aug Entitlements/Free Game 8mm**  
Excl. Total War Troy Free 24 hours (7.7million)

Total Entitlements by Month (in Millions)



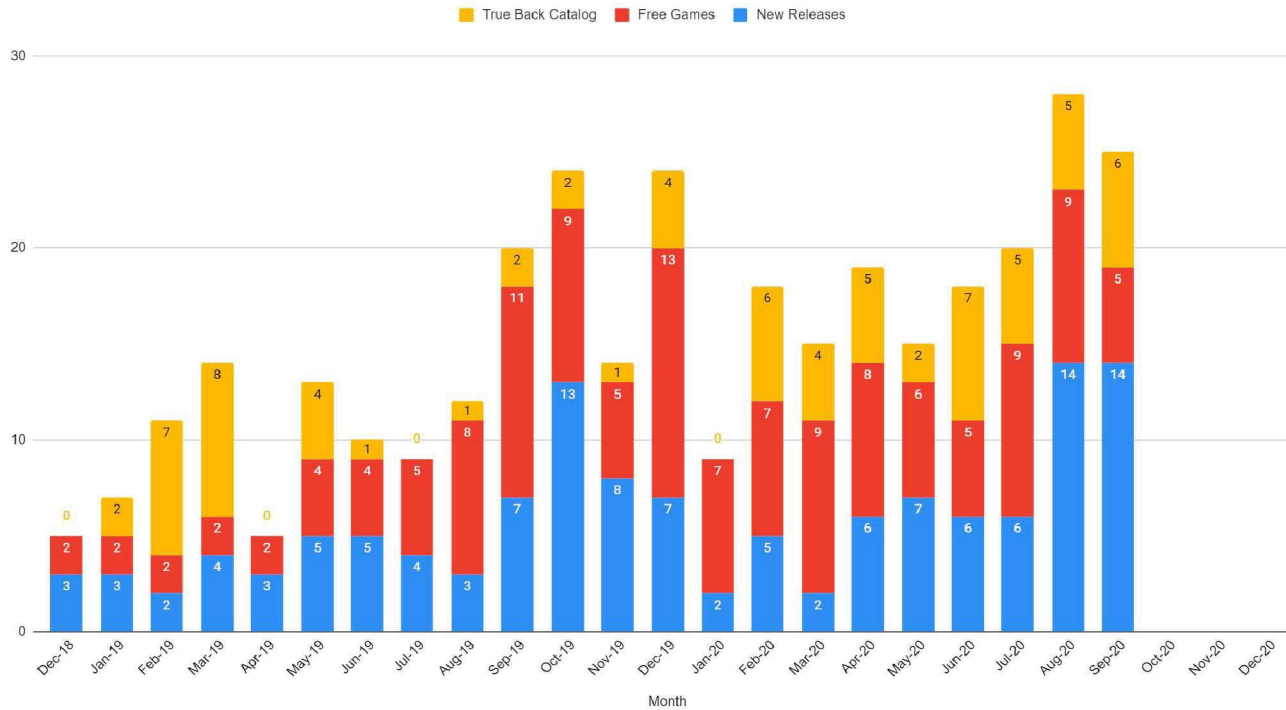
**Aug '20 Total Entitlements 76.4 million**

Total EGS Releases by Month



**Aug '20: 28 total New Game releases, a record LTD**  
Sept '20: 25 releases in current plan

EGS Releases by Month & by Type



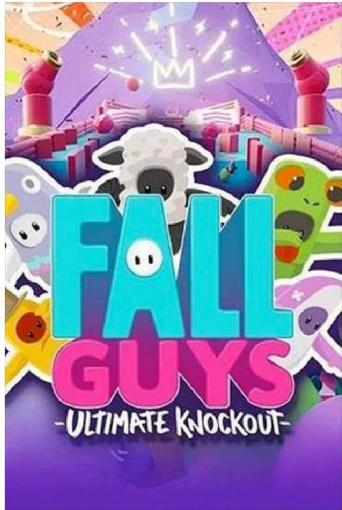
Aug '20: 14 New Releases, biggest New Release month LTD  
 Sep '20: 14 New Releases in current plan  
 52 New Releases YTD (through Aug)

Month	# Titles Released in Month	New EGS Users	Gross \$ (in Millions)	ARPPU	ARPMU	EGs WAU (in millions)	EGs MAU (in millions)	WAU/MAU	EGs DAU (avg in millions)	DAU/MAU	DAU/WAU	Entitlements/Free Game Avg	
Jan 2019		7	982,778	\$1.40	\$21.58	\$0.46	1.06	3.02	35.10%	0.24	7.88%	22.45%	1,750,000
Feb 2019		11	988,171	\$10.80	\$42.90	\$3.61	1.26	2.99	42.14%	0.25	8.46%	20.08%	1,560,000
Mar 2019		14	2,335,588	\$15.78	\$30.96	\$3.03	2.08	5.2	40.00%	0.48	9.17%	22.93%	2,850,000
Apr 2019		5	1,358,050	\$18.57	\$27.05	\$4.04	1.8	4.6	39.13%	0.43	9.35%	23.89%	2,850,000
May 2019		13	2,196,866	\$12.20	\$20.33	\$2.00	2.55	6.1	41.80%	0.68	11.10%	26.55%	2,350,000
June 2019		10	1,636,098	\$8.70	\$13.43	\$1.43	2.96	6.1	48.52%	0.60	13.11%	27.03%	1,900,000
July 2019		9	1,805,256	\$4.90	\$8.10	\$0.75	3.15	6.5	48.46%	0.75	11.60%	23.94%	2,160,000
Aug 2019		12	1,955,050	\$13.30	\$18.66	\$1.82	3.2	7.3	43.84%	1.04	14.18%	32.34%	2,520,000
Sep 2019		20	3,484,997	\$72.60	\$42.74	\$7.12	5.15	10.2	50.49%	1.85	18.14%	35.92%	4,020,000
Oct 2019		24	1,226,487	\$25.60	\$37.93	\$3.05	4.33	8.4	51.55%	1.43	17.02%	33.03%	3,310,000
Nov 2019		14	840,789	\$22.40	\$43.76	\$3.20	3.47	7	49.57%	1.04	14.86%	29.97%	2,750,000
Dec 2019		24	1,712,617	\$26.00	\$31.64	\$3.13	4.32	8.3	52.05%	1.46	17.59%	33.80%	1,790,000
Jan 2020		9	1,444,440	\$11.00	\$28.70	\$1.29	4.2	8.5	49.41%	1.32	15.53%	31.43%	4,550,000
Feb 2020		18	2,101,509	\$10.60	\$19.72	\$1.05	4.8	10.14	47.34%	1.62	15.98%	33.75%	3,450,000
Mar 2020		15	3,208,856	\$8.03	\$22.93	\$0.56	6.57	14.22	46.27%	2.3	16.17%	35.01%	4,150,000
Apr 2020		19	2,575,480	\$18.07	\$24.00	\$1.21	6.58	14.9	44.16%	2.68	17.99%	40.73%	5,720,000
May 2020		15	24,867,392	\$37.61	\$24.13	\$0.83	20.05	45.4	44.16%	5.7	12.56%	28.43%	14,050,000
Jun 2020		18	6,322,444	\$16.31	\$22.60	\$0.56	15.6	29.3	53.24%	5.5	18.77%	35.26%	10,100,000
Jul 2020		20	1,600,000	\$14.78	\$19.90	\$0.66	11.3	21.7	52.07%	3.1	14.29%	27.43%	7,950,000
Aug 2020		26	2,348,394	\$14.52	\$23.12	\$0.63	12	23	52.17%	4.6	20.00%	38.33%	8,000,000

KPIs Grid w/Top 3s LTD highlighted in green

# Fall Guys Update

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- EGS team met w/Mediatonic founders on Monday & game is coming to EGS - but - will be weeks to sort out cross store play etc..so Q4
- The game is the first game since PUBG and Fortnite to hit gaming Zeitgeist so rapidly
  - Fueled by Free PS+ giveaway for a month @ launch aka "The Rocket League Strategy"
    - 15 million PS4 players so far, expect to land at ~20mm on PS4 by month end
  - 5 million paid units so far on Steam "with no signs of slowing down"
  - Coming to XBOX, Switch and next gen consoles "ASAP"
  - Mediatonic dealing with scaling and very similar issues to what Epic experienced w/Fortnite early
- Currently the game is not cross play even between PS4 and PC, but the plan is to update for cross play
- They are open to a FN cross over to do something special for EGS launch, also open to (and strongly suggest) having FN themed Fall Guys outfits (e.g. Peely, Loot Llama, Cuddle Team Leader), the outfits are a big hit especially the Valve/Gordon Freeman which was a Pre Order item on Steam

Expired Outfits

Gordon Freeman

This Steam exclusive outfit was given to those who pre-ordered Fall Guys on Steam before its release.



# FORTNITE

X



## FALL GUYS

15M Units Downloaded on PS+ (~2.4M US)

5M Units sold on Steam (~1.2M US)

*Fall Guys IP integration represents opportunity of the introduction of the Fortnite Brand to ~12M new payers and the potential reactivation of ~7M lapsed Fortnite payers*

### 39% are lapsed Fortnite payers



- 0.9M US
- 4.9M RoW

### 53% have not monetized w/ Fortnite

- 1.3M US
- 6.7M RoW

### 22% are lapsed Fortnite payers



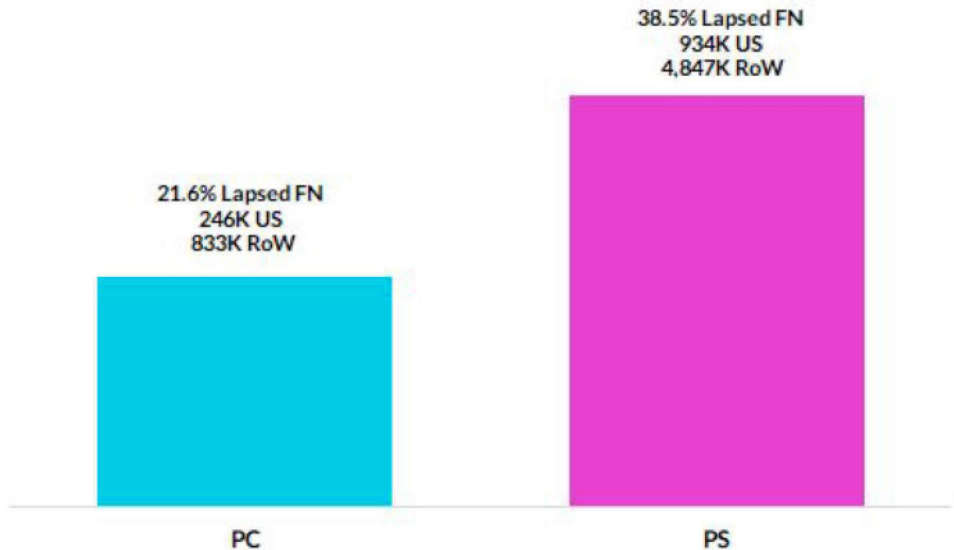
- 0.2M US
- 0.8M RoW

### 75% have not monetized w/ Fortnite

- 0.9M US
- 2.9M RoW

Source of all data: Mediatronic / M Science / Internal KPIs

### Fall Guys % Domestic Overlap w/ FN Lapsed Payers





# Data on EGS Releases

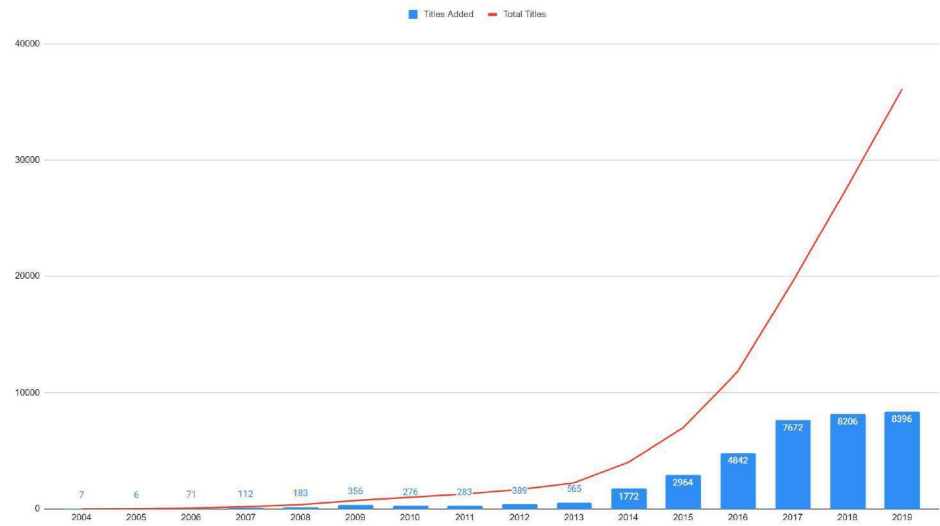
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## w/Steam Comps

## New Release Titles/Titles Added by Year on Steam LTD-2019

Year	Titles Added	Total Titles	Releases/Month
2004	7	7	1
2005	6	13	1
2006	71	84	6
2007	112	196	9
2008	183	379	15
2009	356	735	30
2010	276	1,011	23
2011	283	1,294	24
2012	389	1,683	32
2013	565	2,248	47
2014	1,772	4,020	148
2015	2,964	6,984	247
2016	4,842	11,826	404
2017	7,672	19,498	639
2018	8,206	27,704	684
2019	8,396	36,100	700

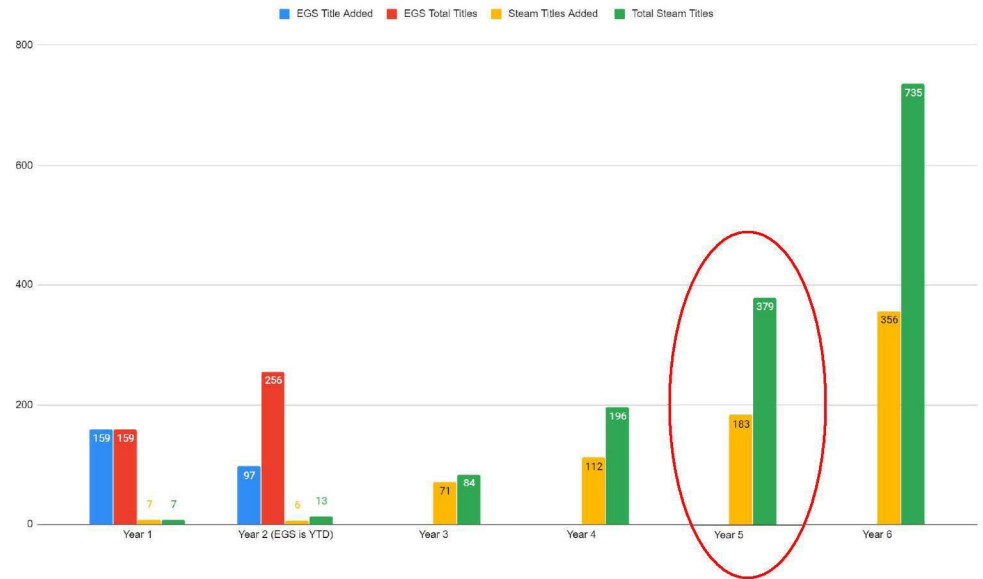
Steam Titles Added By Year



## New Release Titles/Titles Added by Year on Steam & EGS LTD-2019

Year	Titles Added	Total Titles	Releases/Month
2004	7	7	1
2005	6	13	1
2006	71	84	6
2007	112	196	9
2008	183	379	15
2009	356	735	30
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2018	8,206	27,704	684
2019	8,396	36,100	700

EGS v Steam Year by Year Comparison (Time from Store Launch)



Titles Added on EGS trending by year end to be similar to where Steam was @ end of yr 5

## EGS and Steam Releases by Year Chart Combined

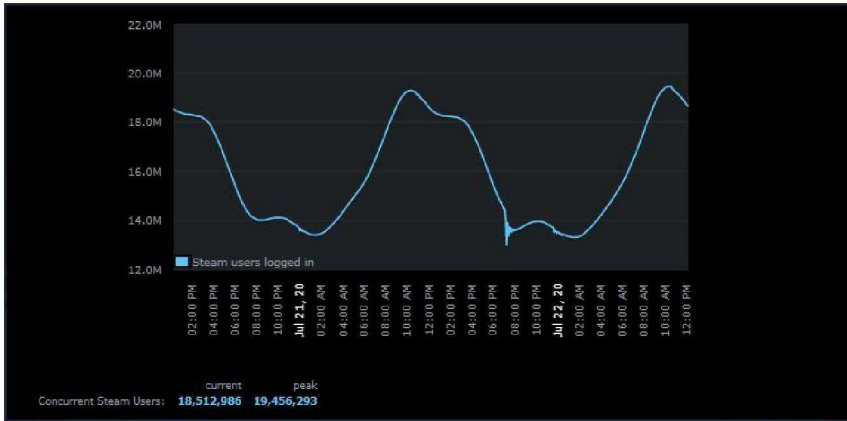
Year	EGS Title Added	EGS Total Titles	Releases/Month	Steam Titles Ad	Total Steam Titr	Releases/Month
Year 1	164	164	14	7	7	1
Year 2 YTD	97	261	15	6	13	1
Year 3				71	84	6
Year 4				112	196	9
Year 5				183	379	15
Year 6				356	735	30
Year 7				276	1,011	23
Year 8				283	1,294	24
Year 9				389	1,683	32
Year 10				565	2,248	47
Year 11				1,772	4,020	148
Year 12				2,964	6,984	247
Year 13				4,842	11,826	404
Year 14				7,672	19,498	639
Year 15				8,206	27,704	684
Year 16				8,396	36,100	700

EGS has 261 titles you can buy/acquire and play (excl FN PC)  
 Steam has over 36,000 (we have a long way to go)

## Feature Communications: July 29

- In-Game Achievements Overlay - [1pm ET](#)
  - Limited to a handful of products integrating our overlay (ARK)
  - Noticed on reddit, reactive communication on EGS social
    - *Certain games on the Epic Games Store may begin to display achievements as you unlock them. This is an early version of the feature and you can expect to see changes & adjustments. We'll have more info to share on achievements in the future, so stay tuned! <Animated GIF of achievements UI from within ARK>*
- Mods beta - **Communications on Hold**
  - Limited to Mechwarrior 5, working with key modders for day one content
  - Piranha leads conversation with [Blog](#) and [Social Media](#)
  - EGS amplifies Piranha on social channels w/ EGS messaging
    - *Mod support is now in beta on the Epic Games Store, starting with Mechwarrior 5. This is an early iteration of the feature, but you can expect to see more titles supported in the future. Stay tuned!*
  - EGS push notification to MW5 owners
    - **Game Update: MechWarrior 5** Mod support for Mechwarrior 5 is now in public Beta. Download the editor, create and upload your mods to wreak havoc on the battlefield. Learn more. <Links to MW5 PDP>

# Launcher Peak CCUs 7/22 EGS v Steam tracking @ ~51% of Steam



Peak CCU Steam 19.45mm (-3% v last week)  
~25.5% avg are playing games



Peak CCU EGS 9.95mm (0% change v last week)  
~9% avg are playing games

# Fortnite PC x EGS

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# EGS FLOW TO FORTNITE

EGS Shows a surprising flow into Fortnite

- 36% of Accts acquired before Testflight played Fortnite after their EGS acquisition
- 15% of Accts acquired during or after Testflight played Fortnite after their EGS acquisition
  - = 28% of Total EGS accounts played Fortnite after they were first seen in EGS
- Top flow is 1.6M (4%) new accounts to Fortnite
- 8.7M (36%) lapsed Fortnite players returned to Fortnite after EGS





## Fortnite PC x EGS Update

This week:

- EGS (John Kopp & Steve) met w/ Cameron Payne's FN merchandising team about matching merchandising beats w/console and getting EGS on their outreach and plans - low hanging fruit, but will be meaningful

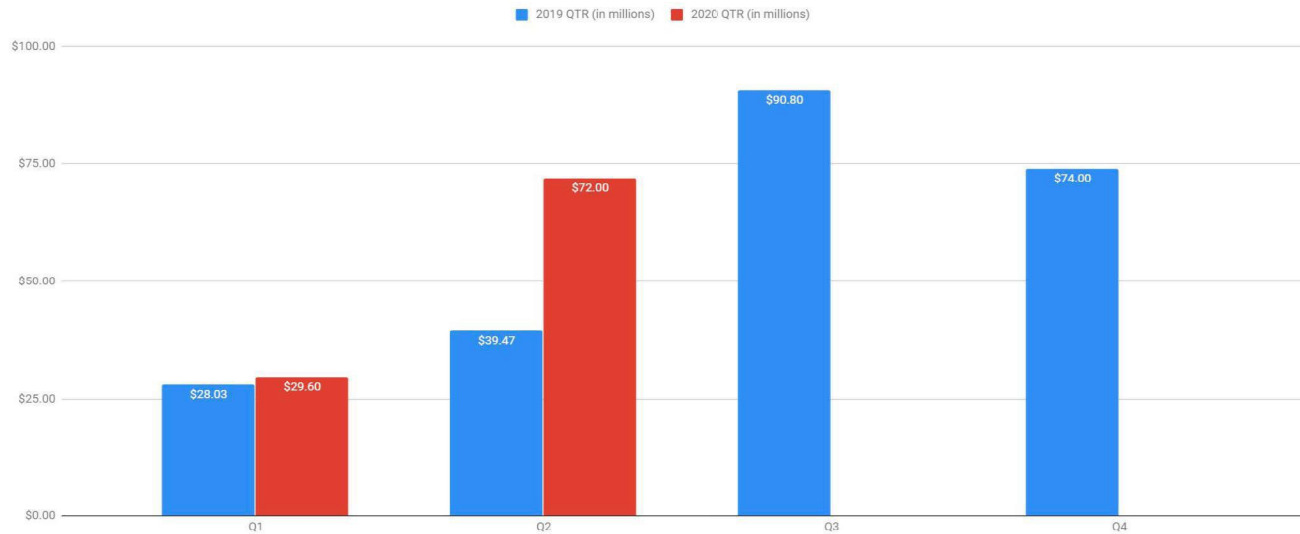
Ongoing discussions

- RMT purchases on EGS for FN targeting S15 (Battle Pass so we can launch every Season here like a new release + other smaller)
  - Good amount of conversation in front of us w/FN team , Ecomm and EGS teams
- Lowell's action plan being explored re: how to put suggestions into action
  - Competitive
  - Specs
  - Other

# Q3 '19 a hard comp due to Borderlands 3

- Total War Troy, Ooblets, Rocket League F2P, Tony Hawk Remaster & Surgeon Sim 2 combined w/continued focus on onboarding as much key back catalog during Q3 (EA's is critical) key to not falling behind v 2019 in Q3
- Expect to beat '19 Q4 w/Ubis major releases, Godfall, & key Sim ships + continued audience growth via bigger Free Games, Promotions and higher expectations for increased Holiday performance

2019 QTR (in millions) and 2020 QTR (in millions)



# Free Games 2020 YTD

<u>2020 Totals (Including Test Flight)</u>	
	<u>YTD</u>
TOTAL FREE GAMES RELEASED	46
TOTAL BUYOUT COSTS	\$99,009,376
Average Free Game Buyout	\$2,152,378
TOTAL NEW EGS USERS	38,622,970
Cost/New User	\$2.56
TOTAL ENTITLEMENTS (Engagement of Current Users)	307,731,567
Average Entitlements/Free Game	6,689,817

<u>2020 Totals (Excluding Test Flight)</u>	
	<u>YTD</u>
TOTAL FREE GAMES RELEASED	42
TOTAL BUYOUT COSTS	\$11,009,376
Average Free Game Buyout excluding Test Flight	\$262,128
TOTAL NEW EGS USERS	10,965,373
Cost/New User	\$1.00
TOTAL ENTITLEMENTS (Engagement of Current Users)	216,294,512
Average Entitlements/Free Game	4,702,055

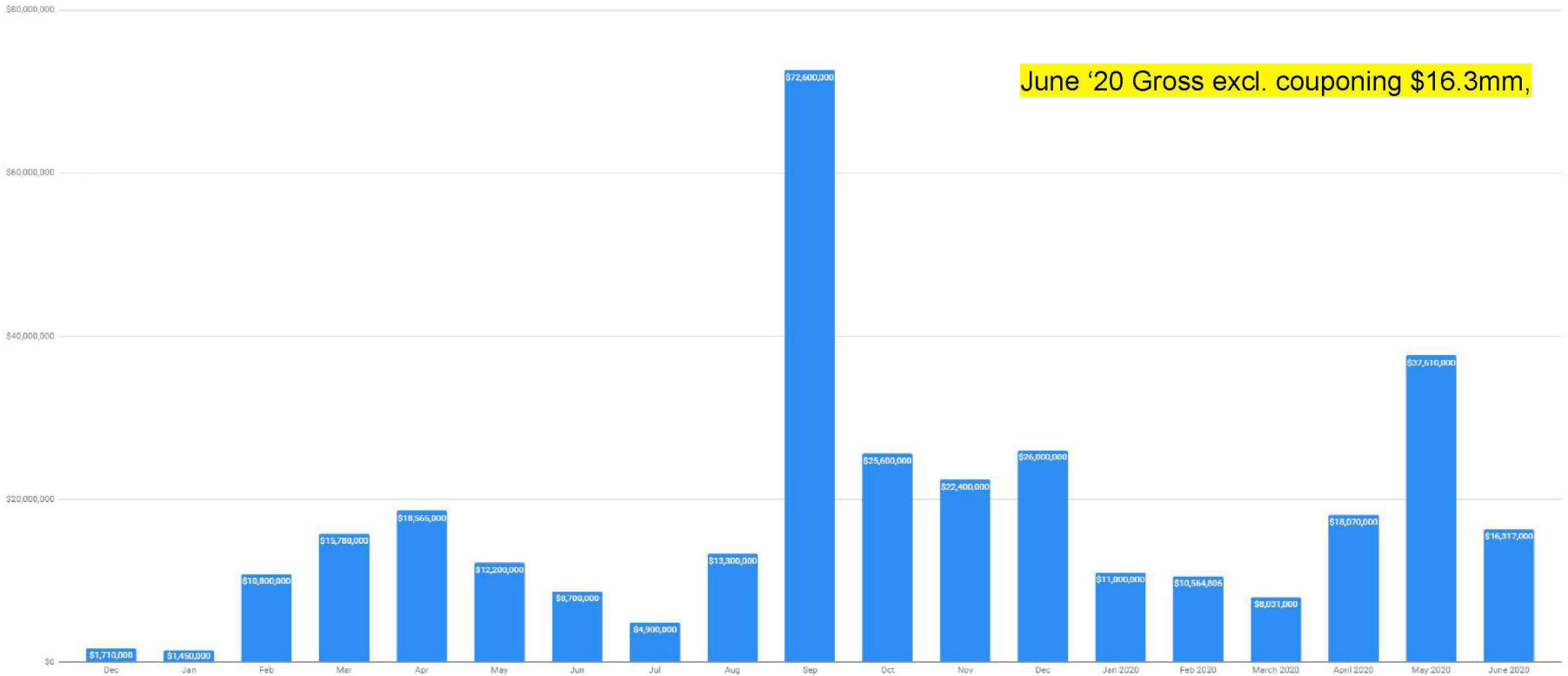
Note: This Cost/New User calculation is excluding the Media \$ for TF

## Post Test Flight - After Effects so far:

- Avg Entitlements/Free Game are up 70% (avg. is 8mm Entitlements/Free Game up from 4.7million avg in Q1)
- Average New EGS Users/Free Game on smaller Indie games is up 200%+ on average from ~40K to ~120K
- Avg Cost/New User on smaller Free Indie games is ~\$.90/New User post Test Flight

# EGS Revenue by month through June '20

EGs Gross Revenue By Month LTD



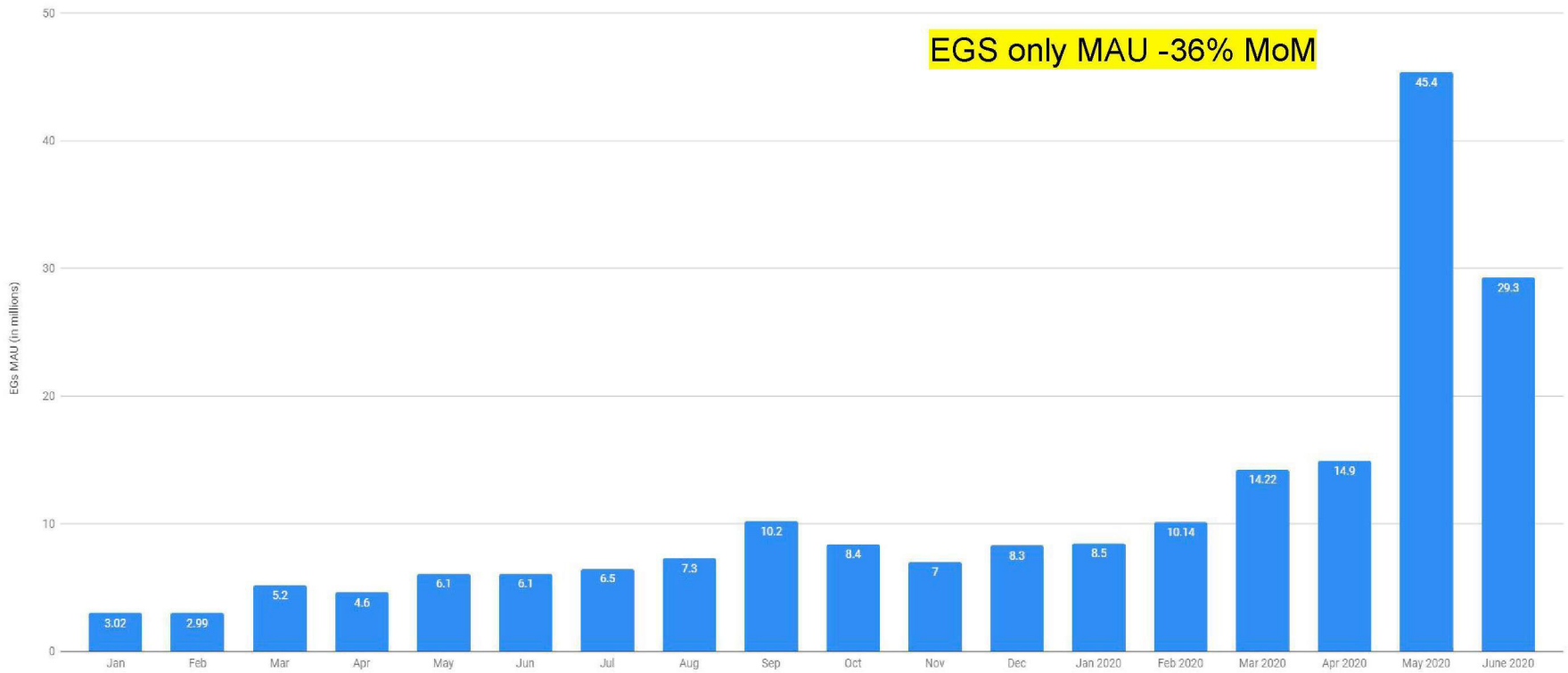
# EGS Revenue by QTR through Q2 '20

2019 QTR (in millions) and 2020 QTR (in millions)



# EGS MAU (excl. FN PC) LTD through June '20

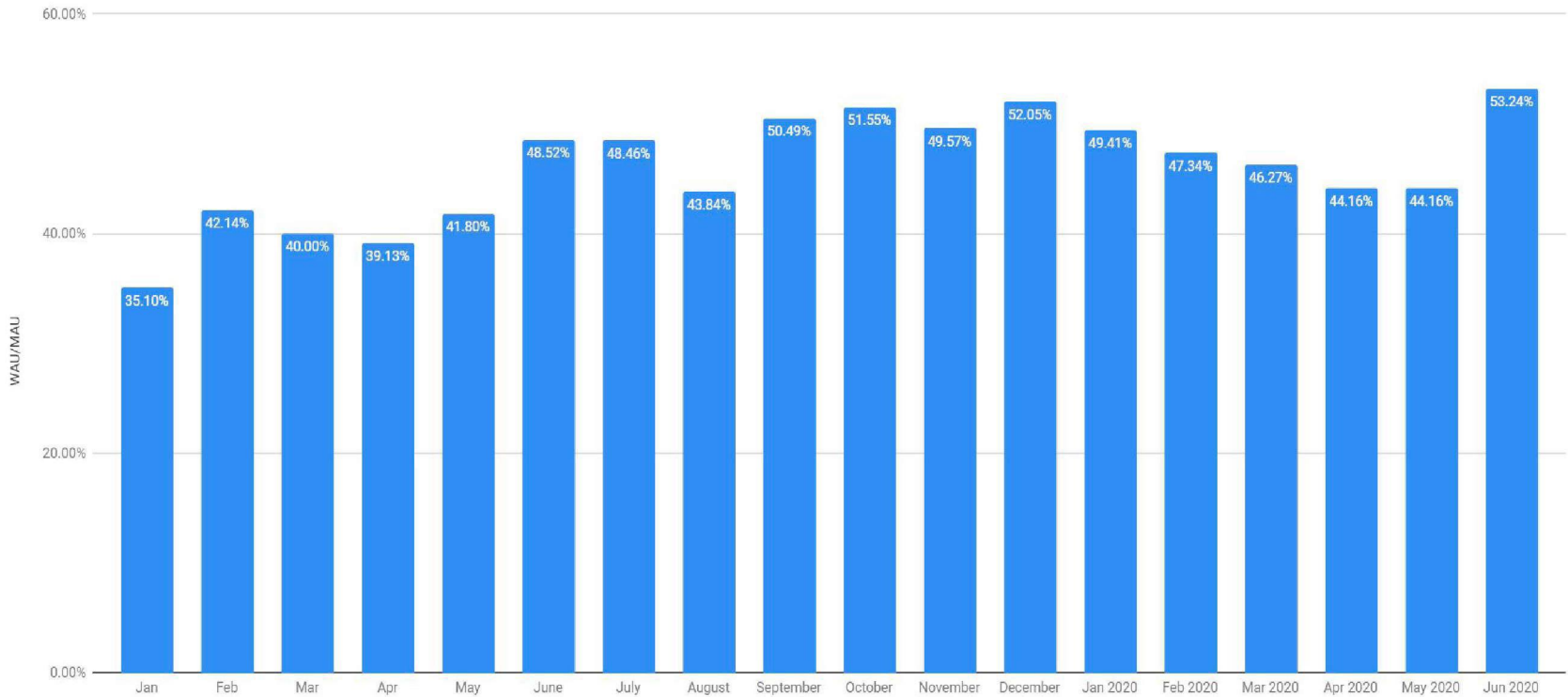
EGs MAU excl. FN PC (in millions)



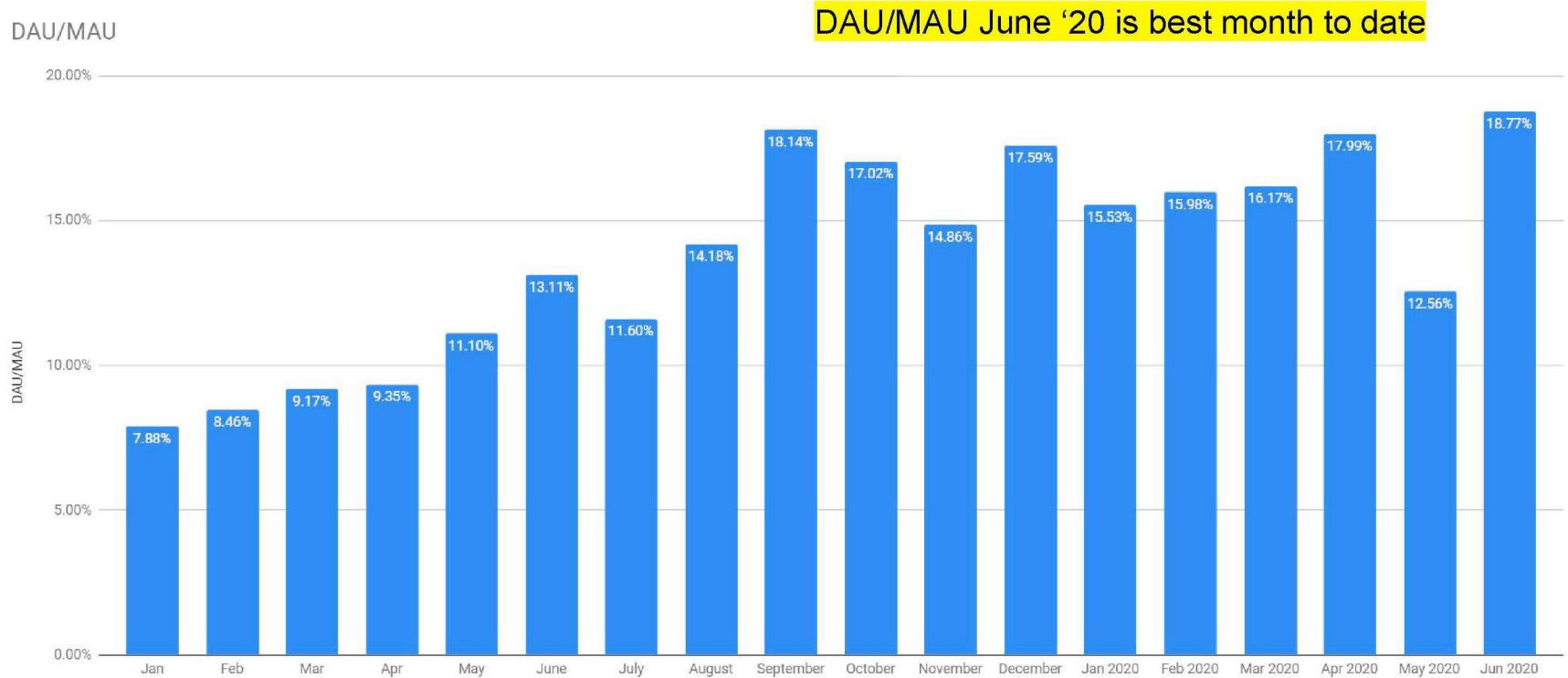
# EGS WAU/MAU (excl. FN PC) LTD through June '20

WAU/MAU

WAU/MAU June '20 is best month to date



# EGS DAU/MAU (excl. FN PC) LTD through June '20



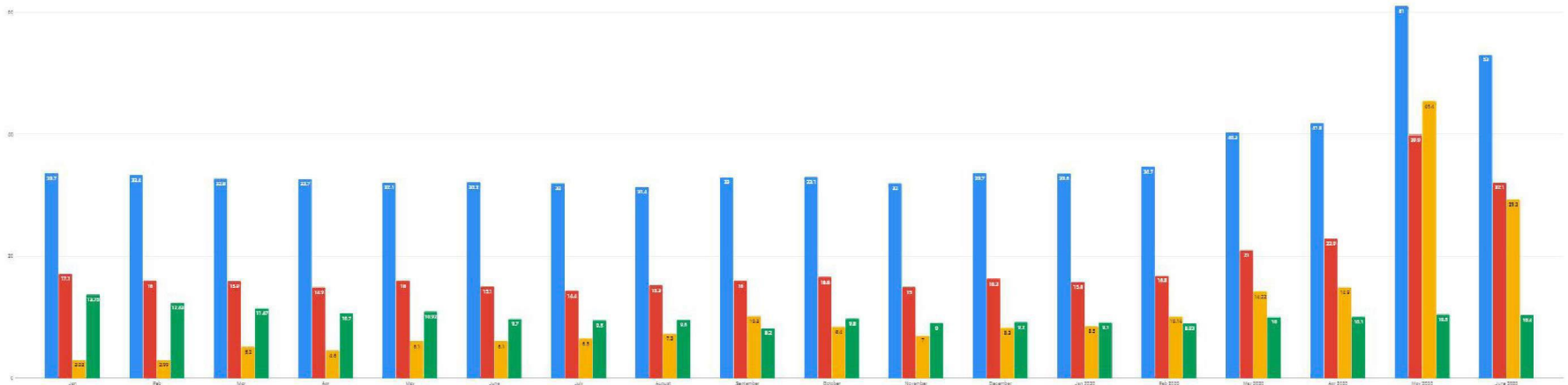


# “All the MAUs” LTD through June ‘20

MAUs in millions				
2020 by Month	Launcher ALL (FN PC, EGS, UE + Running in Tray)	Launcher ACTIVE (FN PC, EGS, UE)	EGs MAU (in millions)	FN PC MAU
Jan 2020	33.6	16.8	8.5	9.1
Feb 2020	34.7	16.8	10.14	8.93
Mar 2020	40.3	21	14.22	10
Apr 2020	41.8	22.9	14.9	10.1
May 2020	61	39.9	45.4	10.5
June 2020	53	32.1	29.3	10.4

Launcher ALL (FN PC, EGS, UE & Running in Tray), Active Launcher (FN PC, EGS, UE), EGs MAU and FN PC MAU: (in millions)

**Launcher ALL MAU 53 million in June '20, -14% v May**





## ACHIEVEMENTS

Total Progress

2/6

Filter Achievements



### IN PROGRESS (2)



**perspiciatis corrupti harum**

doloremque aut adipisci

70%



**nisi rem qui**

aut sapiente modi

4%

### EARNED (2)



**ea sint ut**

maiores adipisci dolore

Oct 16, 2019

100%



**necessitatibus est volupt**

id in debitis

Aug 3, 2019

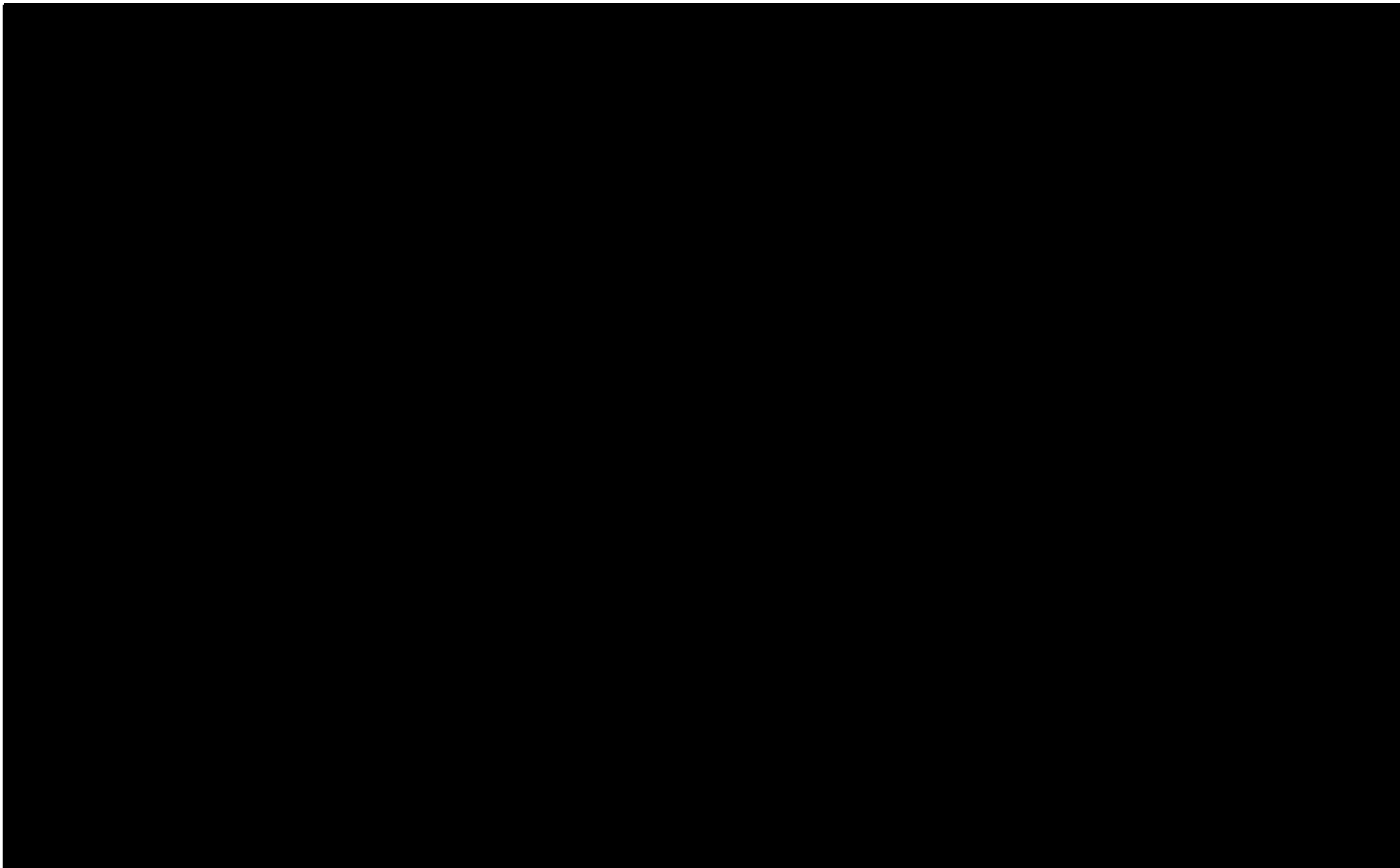
100%

### LOCKED (1)



**consequuntur amet nariatur**

Press **SHIFT** + **TAB** to close the panel





# EGS Test Flight KPI Final #s & % of Forecasts



**\$41.3M**

Mega Sale Gross \$ (we believe \$ affected by Ark pushing to 6/11 - post Mega Sale)

**(94%)**

**~28M**

Projected New Users through 6/18 (EGS)

**(186%)**

**\$4.42/New User**

46% less than high end of Cost/New User forecast

**(-46%)**

**915M**

Site Visits during Mega Sale (5/14-6/11)

**(104%)**

# EGS Test Flight Other Final #s



**~12.75M**

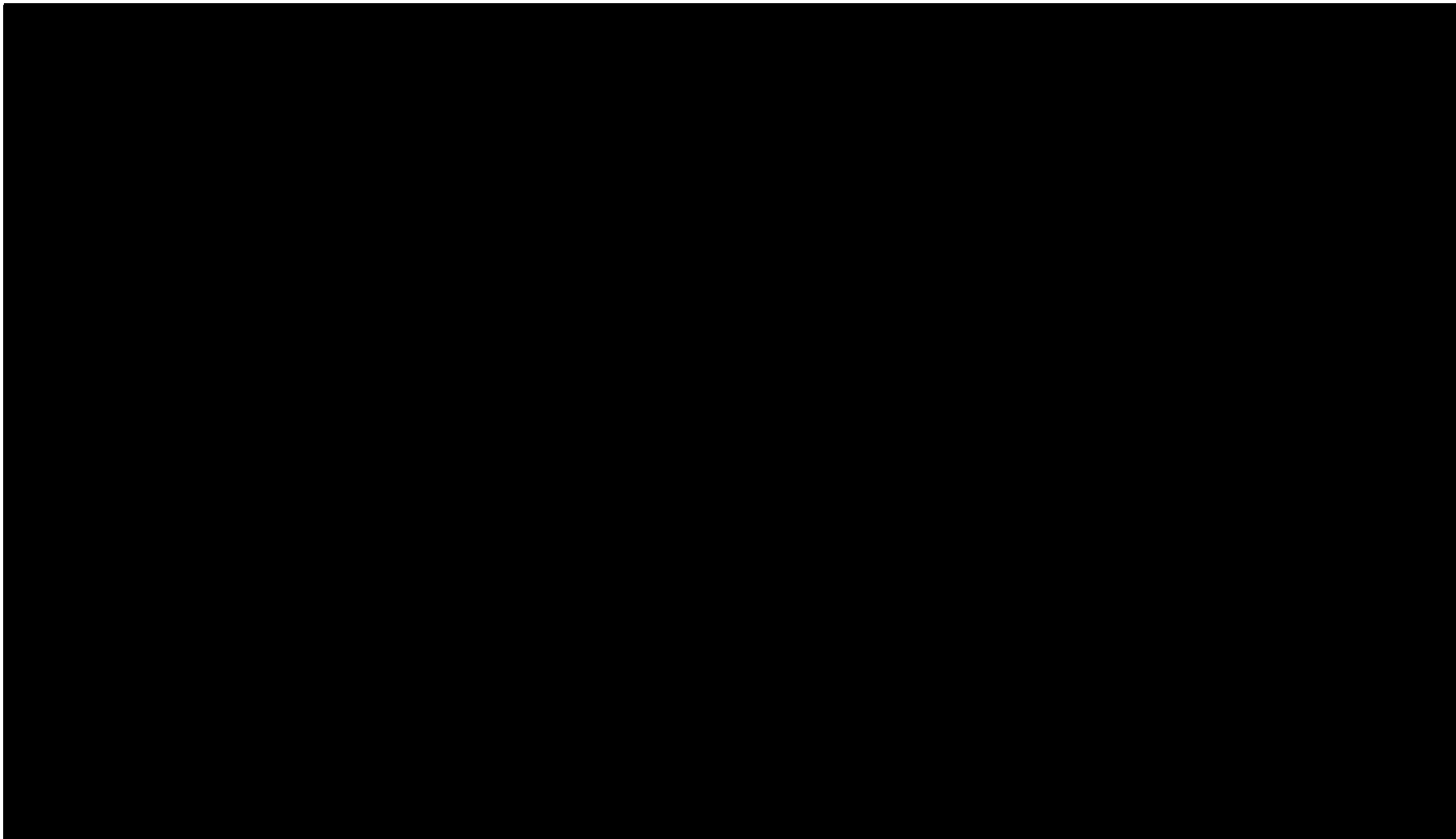
Launcher PCCU, a new record

**~45.4M**

May EGS MAU (excl FN), a new record

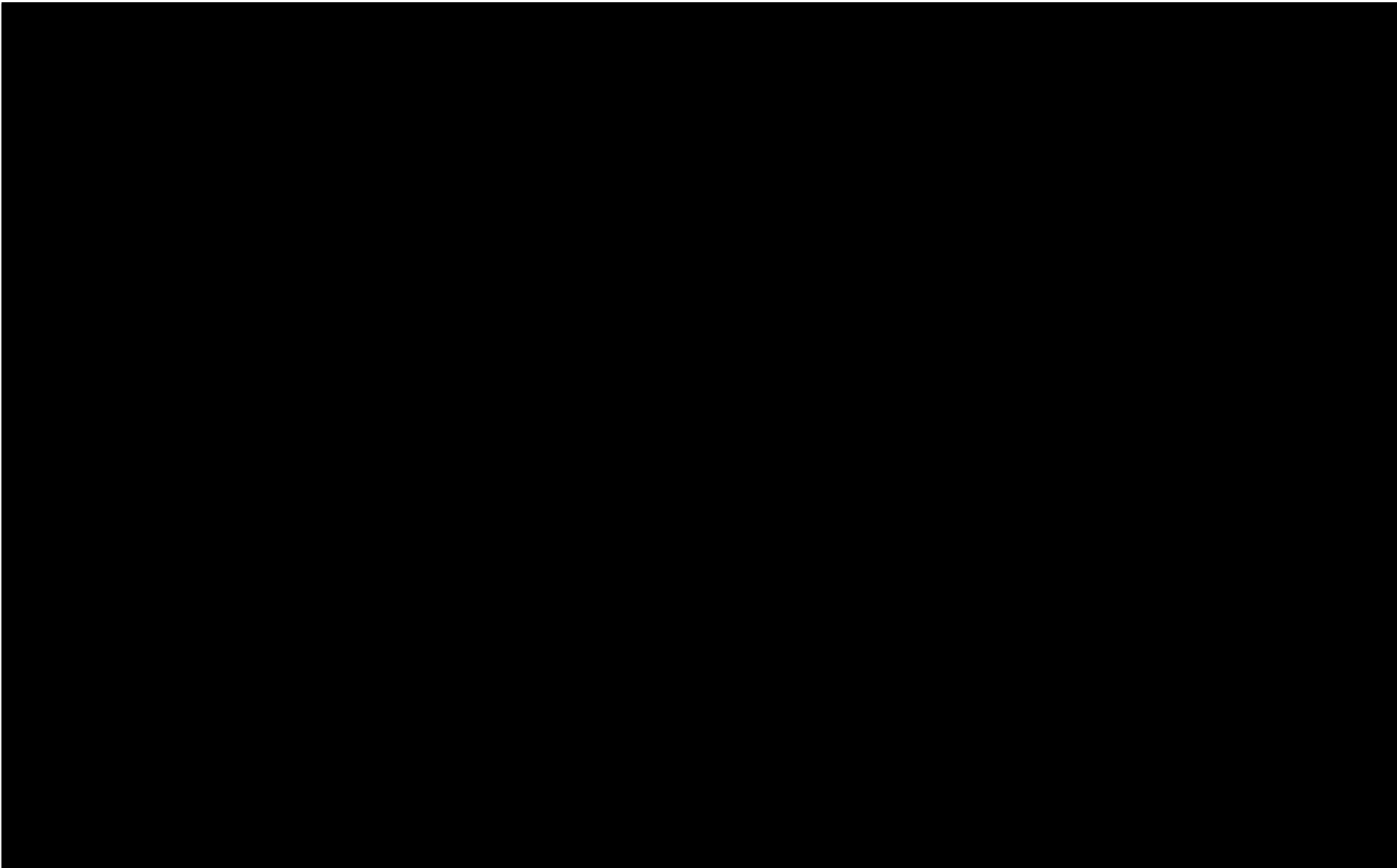
**~61M**

Launcher All May MAU, a new record

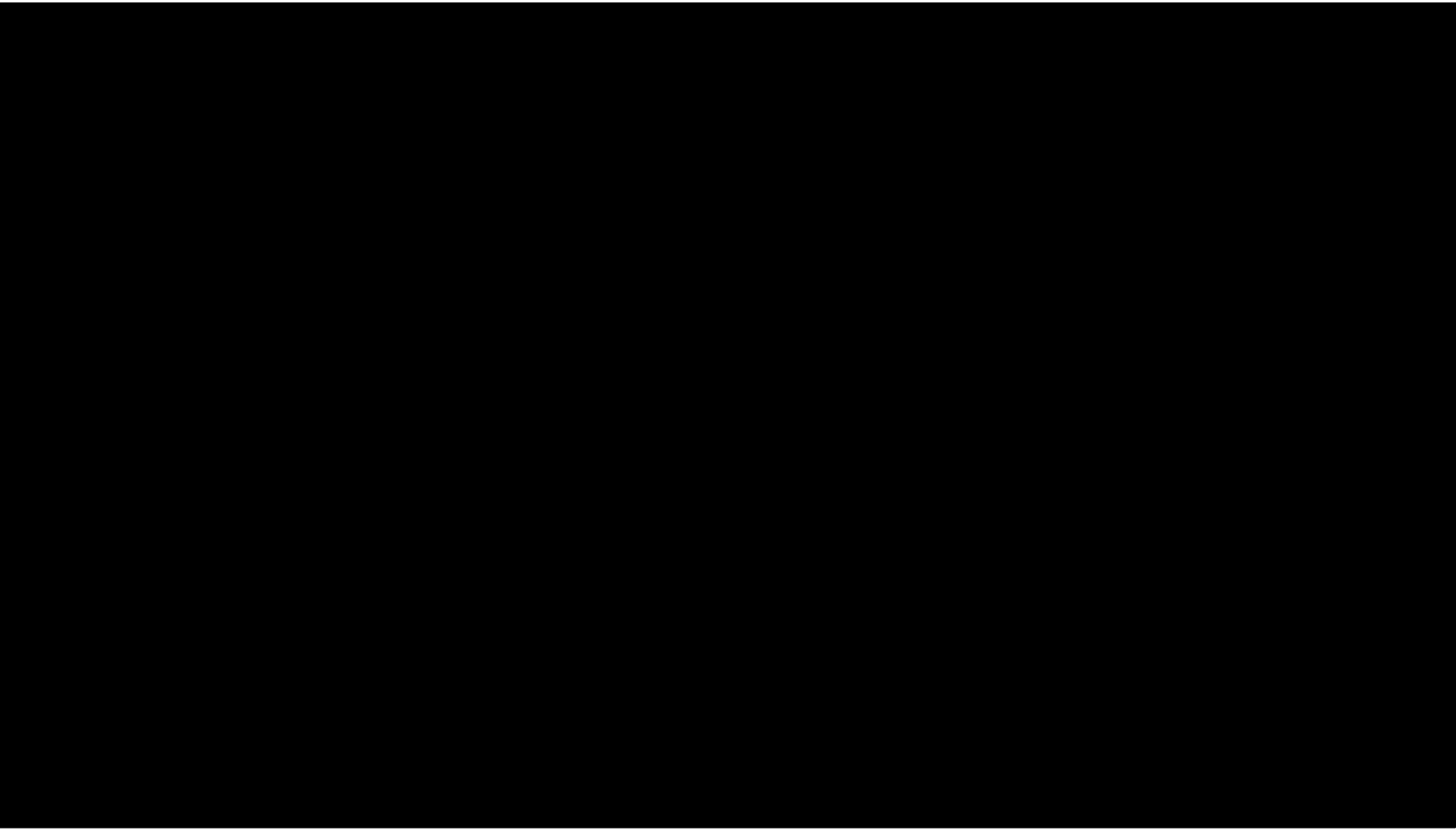


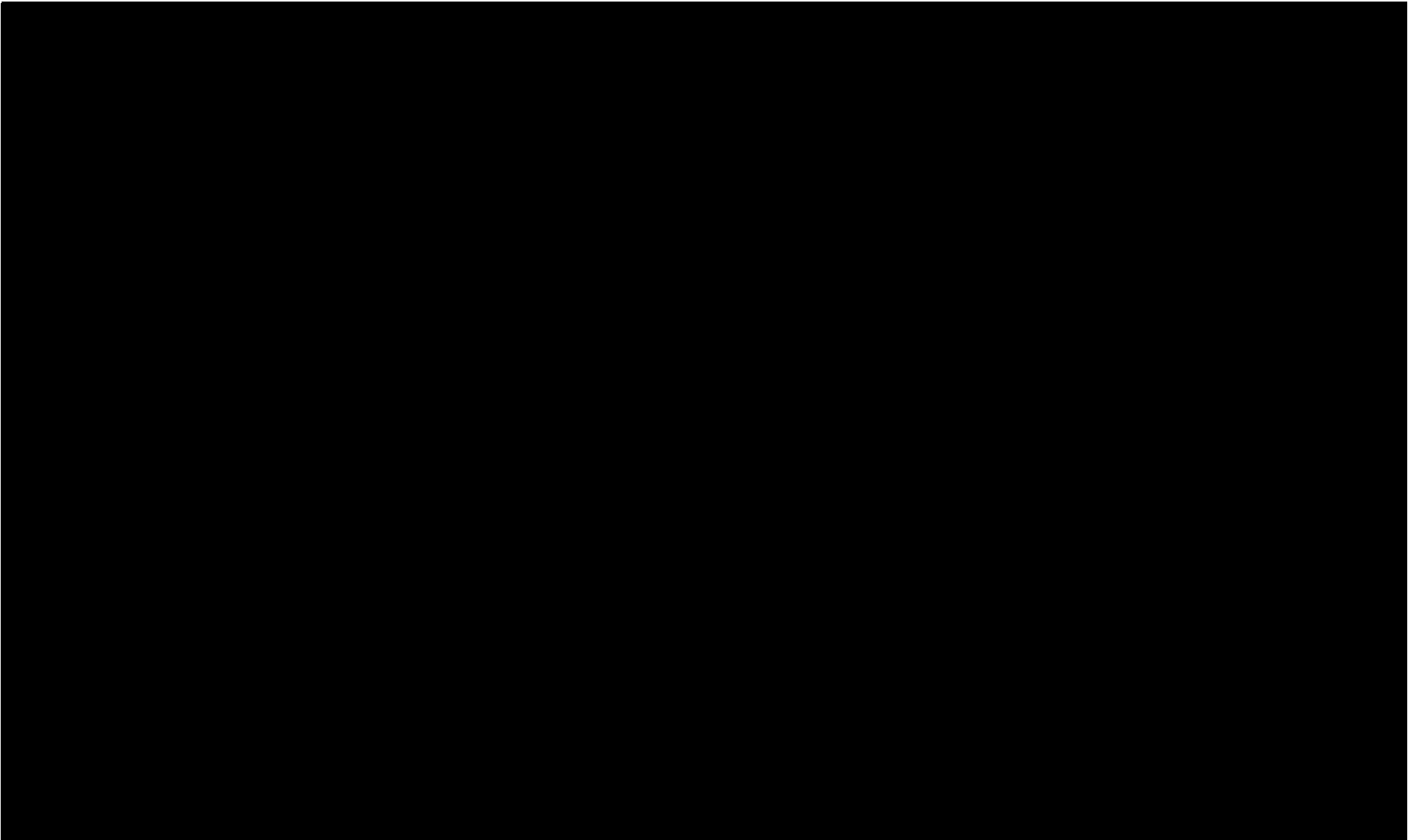












# PC Gaming Show - Overview

## Event Details

- Date: June 13, 2020
- Start Time: 11am Pacific/2pm Eastern
- Streams: [Twitch](#) and [YouTube](#)

## Overview

- EGS Sponsorship: 35% SOV, 14 min of video
- CTAs: Pre-purchase and wishlist
- Partner video content and EGS sizzle
- PC Gaming EPK w/ partner content

## EGS Support

- EGS PC Gaming Show Landing Page
- EGS Owned channels
- Publisher support (EGS social template)



## Partner Segments

- Mortal Shell
- Godfall
- Ooblets
- Among Trees
- Twin Mirror
- Last Campfire
- Unexplored 2
- Airborne Kingdom
- Outlast Trials
- *Surgeon Simulator 2\**
- *Dauntless (Call of the Void)\**

## EGS Sizzle

- Mortal Shell
- Unexplored 2
- Tony Hawk Pro Skater 1+2
- Dauntless (Call of the Void)
- Super Meatboy Forever
- Among Trees
- Twin Mirror
- Surgeon Simulator 2
- Ooblets
- Phantom Brigade
- Airborne Kingdom
- Iron Harvest
- AC: Valhalla
- Godfall

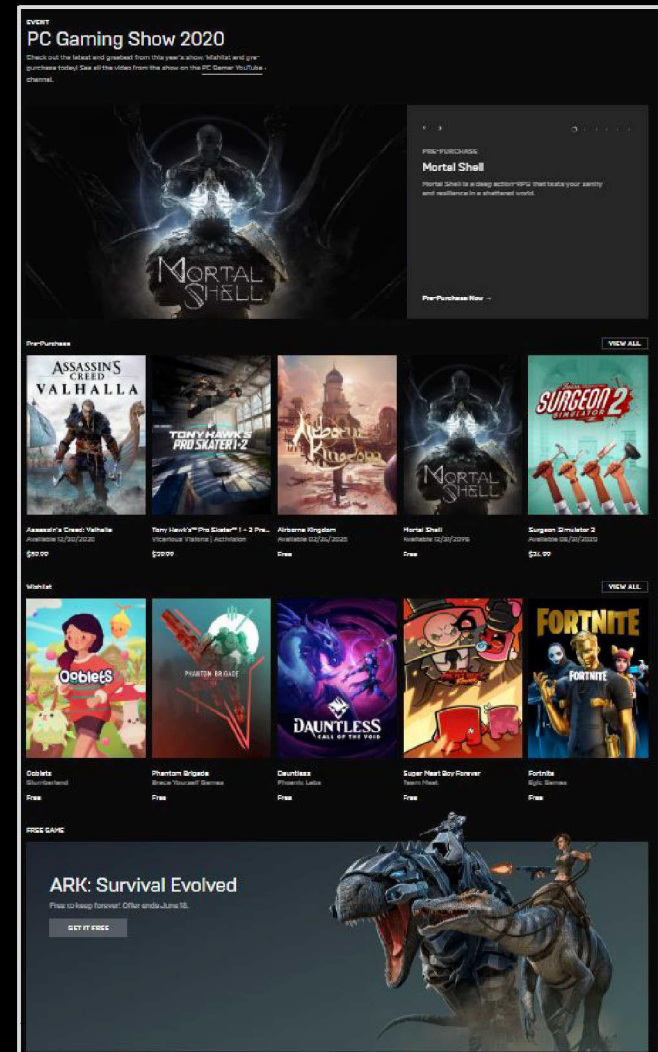
*\*Segments not part of EGS Sponsorship*

# PC Gaming Show - EGS Landing Page

## Overview

- **Featured Carousel, six titles**
  - Mortal Shell
  - Godfall
  - Among Trees: Early Access
  - Iron Harvest
  - Surgeon Simulator 2
  - Unexplored 2
- **Pre-Purchase blade and full collection\***
- **Wishlist blade and full collection\***
- **ARK Free Game breaker**

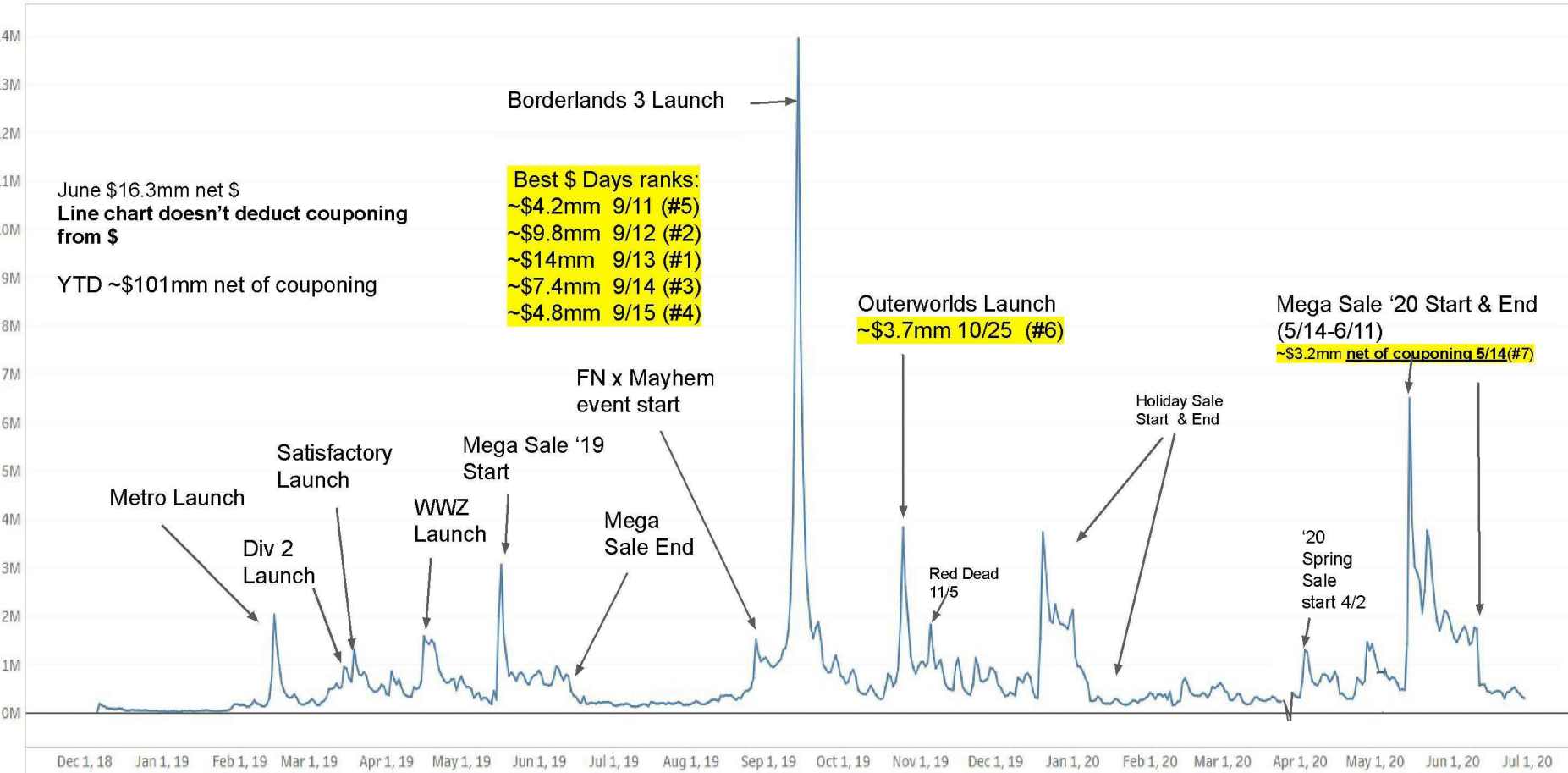
*\*Blades FPO, do not reflect final content*



# PC Gaming Show - Sizzle

[VIDEO](#)

# Epic Games store Daily Gross Revenue LTD through 6/30





# Self Pub Tools Status Update

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**ANDREW/LUKE**

Minor updates this week only:

- Upcoming Showoff for Publishing Tools status in the next couple weeks
- Team is kicking off planning the second half of the year

# Fortnite & RL PC

---

# Grow FN on PC (and Rocket League) Strategy

Harness new, 45M+, MAU as clean target set

- More than 40% of that audience are non-Steam/non FN users
- Make better offers and offer presentation to daily users (new and lapsed)

Piggyback on Lowell's PC deep dive (pending soon) to target new and lapsed

- Regional/language opportunities
- Platform cross-promotion opportunities by region
- PC spec/min spec of store games vs FN

# Grow FN on PC (and Rocket League) Tactics

## Aggressively Merchandise both games on EGS

- Whatever & whenever event featuring is being slotted for console, same art and timing should be pushed here

## Setup & Aggressively Merchandise Battle Pass and RMT's to drive engagement among EGS 45M MAU

- Allows promotion of more than a stale "Get" button within EGS
- Early to-Mid S13 barring blockers

## Add **Gifting** as sales option on store (Q4)

- Separate from merchandising, opens up broader store connections & ability for gift giving purchases

## Work FN/RL content into Store Loyalty program for **rewards** (late Q4 to early Q1)

- Don't break other platform user experiences, do reward playing on EGS
- Controversial and will need deeper dive

## Harness other AA and AAA IP with store/FN **tie-ins** (TBD but likely Q4 at best)

- Drive PC players with affinity toward other PC IP on EGS toward FN, both new players & previously lapsed FN
- Continue Metaverse push with more diverse game tie-ins
- Replace T1/T2 original content with some incremental tie-in content w/EGS purchase, these can be sold on console to offset MGs

# EGS Table of “Things” - top 3s highlighted in green

Month	Gross \$ (in Millions)	ARPPU	ARPMU	EGS WAU (in millions)	EGs MAU (in millions)	WAU/MAU	EGs DAU (avg in millions)	DAU/MAU	DAU/WAU
Jan	\$1.40	\$21.56	\$0.46	1.06	3.02	35.10%	0.24	7.88%	22.46%
Feb	\$10.80	\$42.90	\$3.81	1.26	2.99	42.14%	0.25	8.46%	20.08%
Mar	\$15.78	\$30.98	\$3.03	2.08	5.2	40.00%	0.48	9.17%	22.93%
Apr	\$18.57	\$27.05	\$4.04	1.8	4.6	39.13%	0.43	9.35%	23.89%
May	\$12.20	\$20.33	\$2.00	2.55	6.1	41.80%	0.68	11.10%	26.55%
June	\$8.70	\$13.43	\$1.43	2.96	6.1	48.52%	0.80	13.11%	27.03%
July	\$4.90	\$8.10	\$0.75	3.15	6.5	48.46%	0.75	11.80%	23.94%
August	\$13.30	\$18.66	\$1.82	3.2	7.3	43.84%	1.04	14.18%	32.34%
September	\$72.60	\$42.74	\$7.12	5.15	10.2	50.49%	1.85	18.14%	35.92%
October	\$26.60	\$37.93	\$3.05	4.33	8.4	51.56%	1.43	17.02%	33.03%
November	\$22.40	\$43.78	\$3.20	3.47	7	49.57%	1.04	14.88%	29.97%
December	\$26.00	\$31.64	\$3.13	4.32	8.3	52.06%	1.46	17.59%	33.80%
Jan 2020	\$11.00	\$28.70	\$1.29	4.2	8.5	49.41%	1.32	15.53%	31.43%
Feb 2020	\$10.60	\$19.72	\$1.05	4.8	10.14	47.34%	1.62	15.98%	33.75%
Mar 2020	\$8.03	\$22.93	\$0.56	6.57	14.22	46.27%	2.3	16.17%	36.01%
Apr 2020	\$18.07	\$24.00	\$1.21	6.58	14.9	44.16%	2.68	17.99%	40.73%

## Gross \$ Top 3:

- Sep '19: BL3 launch
- Oct '19: BL3 hangover + Outerworlds
- Dec '19: Holiday Sale

## DAU/WAU/MAU Top 3:

- Sep '19: BL3 launch
- Mar '20: Covid effect + WWZ free + Watch Dogs free
- Apr '20: Covid effect + Just Cause 4 Free + Spring Sale '20 + Snowrunner launch



## Dev Updates 4.27.20

### Major Updates:

- **Instrument #2 SOW** with legal, they'll continue on Phase 2 Achievements work starting **May 4th**
- **EPAM SOW with for Dev Exp** going through final approvals, team charging ahead
- **Work and Co devs rolling off** end of week (not cont'ing contact)
- **MS Dynamic Fraud Protection** (50/50% of traffic split for phase 2, phase 3 will be 100% beg of June)
  - Using 6 weeks to eval fraud rates before switching over 100%
- **Payment Provider RFP** eval
  - **Moving forward Adyen POC**, will eval perf with live traffic for the next ~two months
- **Ramping up for Test Flight and Mega Sale**

### Net New:

- **Parental Controls** - options under review for approach, more info to come soon, once we know more we will have to review how/if this affects our dev schedule

### Risks:

- Our **QA team size does not currently match the shipping demands** we are putting on them, which delays our ability to keep pace with dev complete work. (ie anti piracy is dev complete, but not likely to get tested and shipped until mid to late may)
  - **ACCEPT:** delay feature releases/prioritize and order shipping to meet partner and EGS priority needs
  - **MIT:** continue to grow the team where we can, without bloating unnecessarily
- **EGS team has has over 40 inits** in various phases of dev right now which spreads focus thin for many
  - **MIT:** kicking off audit to find the right balance, put some inits on hold so we can more effectively ship the highest priority items



## Dev Updates 4.20.20

### Major Updates:

- Entering week 5 of 6 with **Instrument**, all is going well, working on SOW #2 this week so we don't have a break in **Achievements** development (looking at an additional 9 weeks to complete the work identified in Discovery).
  - 10 people for 9-12 weeks, ~850k
  - Achievement looking to launch late July/early August
  - We will get Achievements in the hands of partner earlier, but need to have a line up of partners using the feature in order to finalize launch date
- **Lick'd Integration for FN Concert**
  - We will be working directly with Sony, so no work for EGS. Lick'd Integration off the table.
- **Direct Carrier Billing** - Fortumo shipped in Spain 4.15
- **EGS production is supporting EOS** while Andre is on paternity leave - Calentino is taking on the mobile sdk work with the new team and Jungles is picking up the Steam Crossplay Initiative

### Net New:

- GOG integration work - now on hold due to GOG delay

### Risks:

- **RISK: Test Flight will be a merging of many things...will it hold together and survive the QAening?**
  - MIT: ECOMM end of April release, scaling early in prep for test flight
  - MIT: Dev inits shipping 4/24 to start testing early
- **RISK: Shipping many things in May, QA burden will be high**
  - MIT: pacing releases as much best as possible
  - MIT: testing early, encouraging additional dev testing

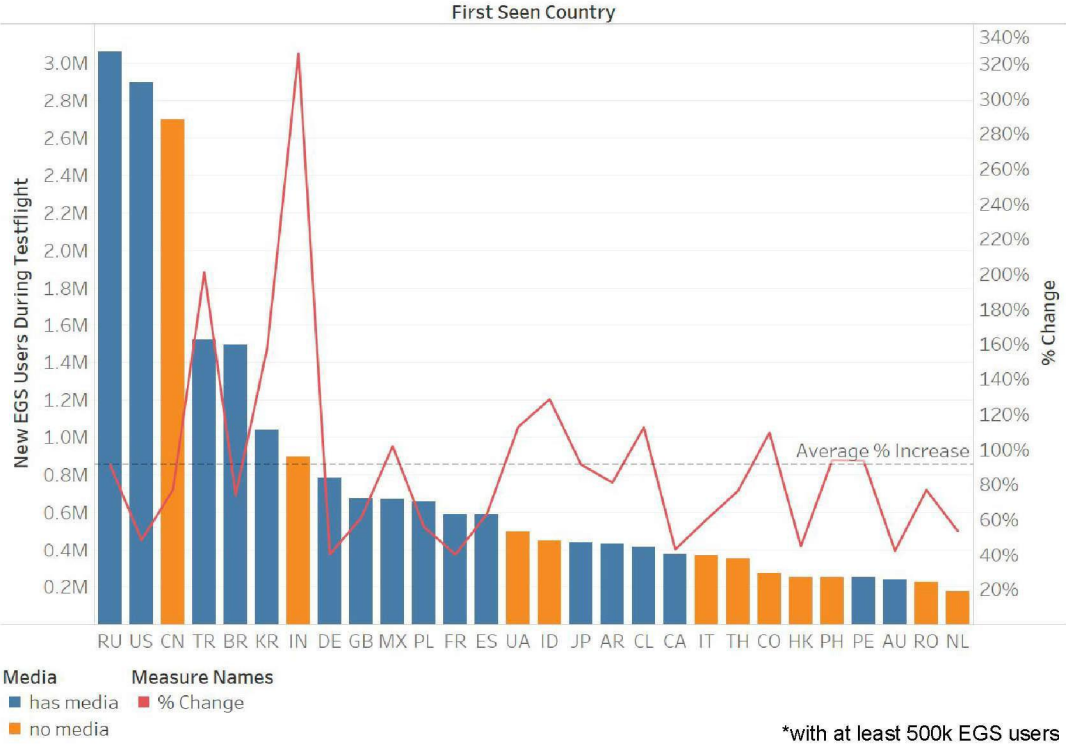


# Testflight Market Penetration

Country	Addressable Market Size	LTD EGS Users Pre-Testflight	Penetration Pre-Testflight	LTD EGS Users Testflight	Penetration	Increase In Penetration
US	61,000,000	5,986,496	10%	8,884,507	15%	5%
Canada	10,000,000	876,611	9%	1,253,903	13%	4%
Germany	18,227,241	1,950,932	11%	2,734,562	15%	4%
UK	12,413,291	1,103,107	9%	1,777,600	14%	5%
France	14,947,772	1,472,892	10%	2,064,702	14%	4%
Nordics	5,450,000	1,041,270	19%	1,460,429	27%	8%
Brazil	23,800,000	2,024,785	9%	3,523,130	15%	6%
Mexico	7,000,000	657,765	9%	1,326,872	19%	10%
Japan	14,000,000	484,093	3%	926,172	7%	3%
Poland	11,265,484	1,179,770	10%	1,837,760	16%	6%
Australia	3,800,000	563,069	15%	801,297	21%	6%
South Korea	9,100,000	662,176	7%	1,703,730	19%	11%
Russia	30,000,000	3,351,757	11%	6,409,782	21%	10%
Argentina	4,185,000	532,612	13%	964,322	23%	10%
Turkey	18,000,000	756,116	4%	2,276,976	13%	8%
Chile	4,548,000	369,777	8%	785,627	17%	9%
Spain	10,800,000	933,410	9%	1,523,524	14%	5%
Czech Repu	2,754,972	354,673	13%	464,457	17%	4%
Saudi Arabia	11,610,247	151,386	1%	172,755	1%	0%
Peru	3,398,340	267,227	8%	517,012	15%	7%

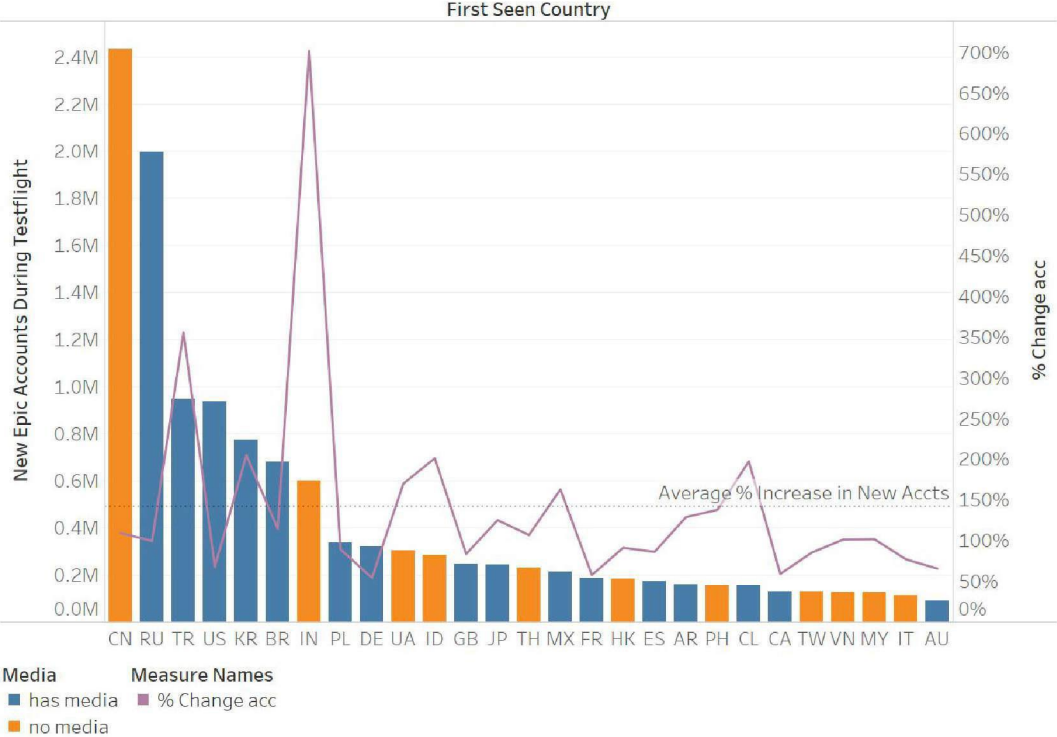
# EGS New Users 5/14 through 6/2

Testflight Gain in New EGS Users



# New Epic Accounts 5/14 through 6/2

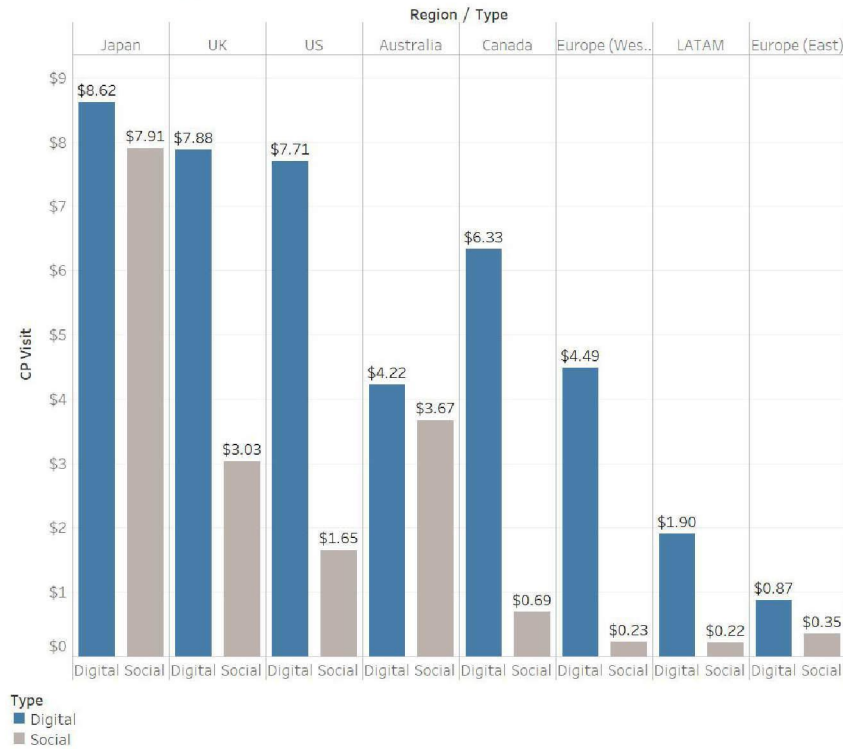
Testflight Gain in New Epic Accounts



\*with at least 200k Epic accounts

# Media Market Comparison

Cost Per Site Visit



# Ark Week Media Pivots

Starting target budget: \$9M

**Revised target budget: ~\$5.5M**

Changes:

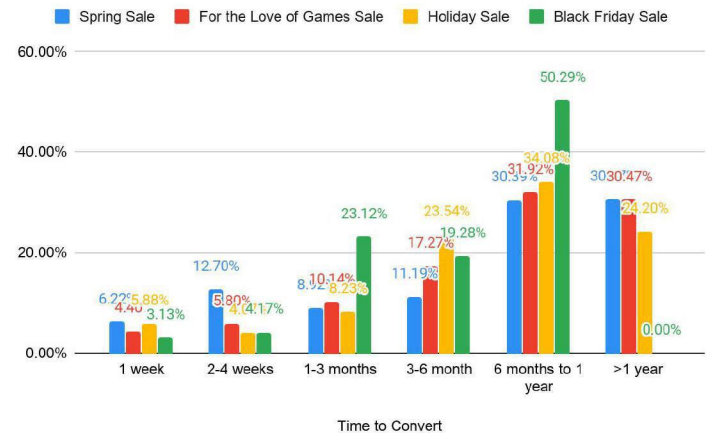
- Move from Nordic Digital to Poland Digital
- Move some UK Digital to Russia and Turkey
- Increase Russia and Turkey beyond
- Catchup Brazil for underspending
- Increase Brazil Digital and Social
- Increase rest of Latam Social
- Reduce Japan Digital
- Cancel US Digital and Social due to world events

## Spring Sale Recap

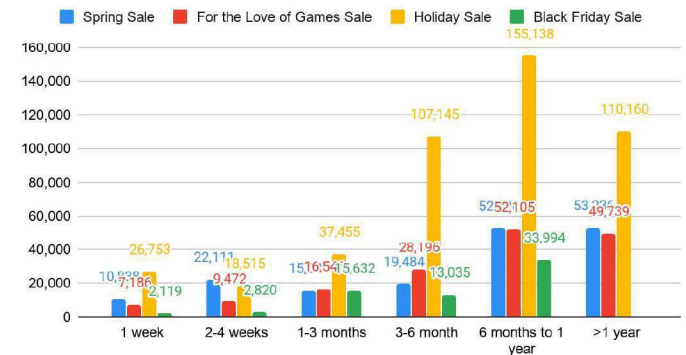
- Users spent **\$9.9M** during *Spring Sale*, exceeding *For the Love of Games* (**\$5.7M**) and *Black Friday* (**\$8M**) but still behind *Holiday* (**\$21.8M**) and *Mega* (**\$15M**)
- User spend was unusually higher in North America (**\$8M/42%** of revenue) and lower in China (**\$0.9M/5%**) compared to previous sales
  - *FTLoG*: North America: **\$4M/34%**, China: **\$1.4M/ 12%**
- **1.25M** Users took their first action during Spring Sale, with **7.8%** of those users paying for their first purchase.
  - This is comparable to *FTLoG*: **1.3M** new users, **7.8%** paid
- **174k** Free Users converted to paid during the period, which is comparable to *FTLoG* (**163k**)
  - This is surprising as we acquired **2.85x** as many new users in the 30 days prior to the Spring Sale as *FTLoG*. However, analysis of past sales revealed that **60%** of free-to-paid users took **6 months to 1 year or more** from first action to paid conversion
  - During Spring Sale, we observed a higher relative proportion of free-to-paid users within the **2-4 weeks** between first action and first paid transaction. This maps to World War Z free users, that compose **8%** of the total (**13.8k**) accounts

\* Revenue reported is post discounts, vat, coupons, and fees

Distribution of Time to Convert, by Sale Group



Free to Paid Users by Time-To- Convert, Sale Event





UT 3 Free w/ EOS SDK 1.5 & Cross Store Friends on Steam



Background:

Joe Graf got UT3 working with cross store friends on EOS SDK 1.5 last week & we have a scrappy plan

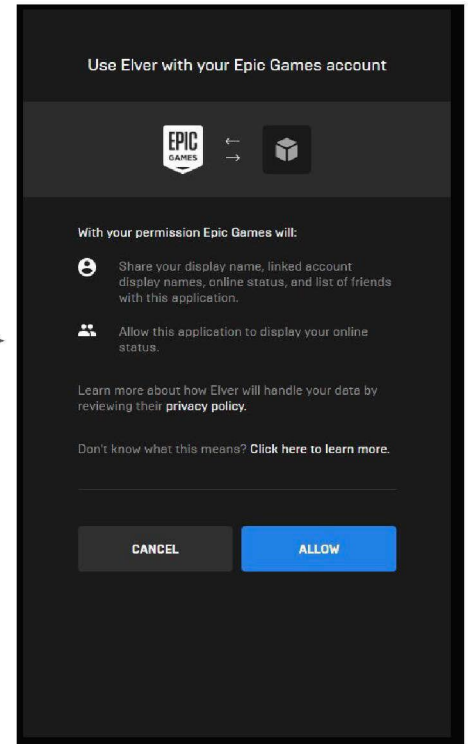
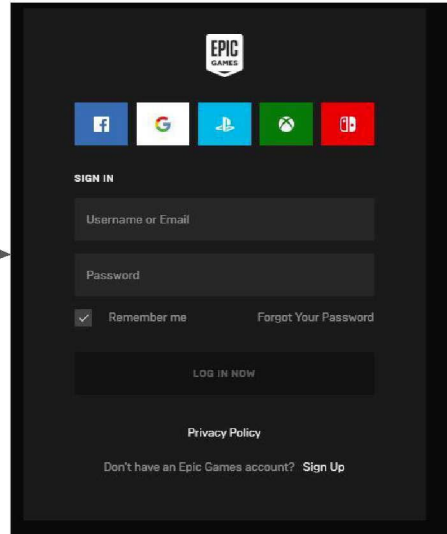
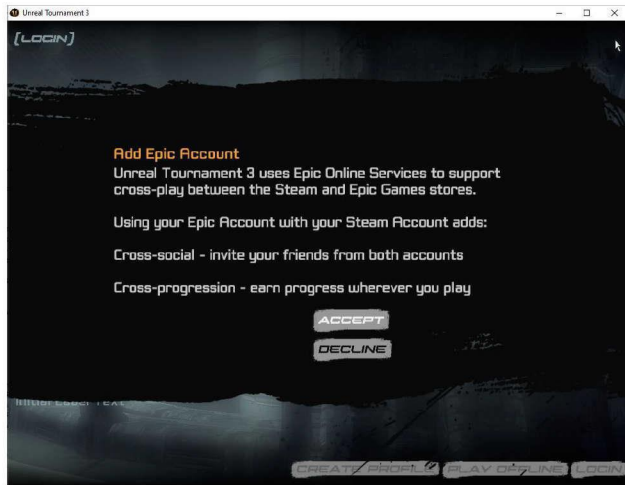
POR:

After some addl. dev, QA and light UI work we are targeting releasing as EGS free surprise game when ready, likely May.

Will also update UT3 on Steam and make the game free on there @ the same time.

We will tout both free offerings & cross store play w/EOS in comms - this gets us our first game w/EOS cross store friends/play

# UT3 EGS/Steam Cross Store UI/UX - Joe G

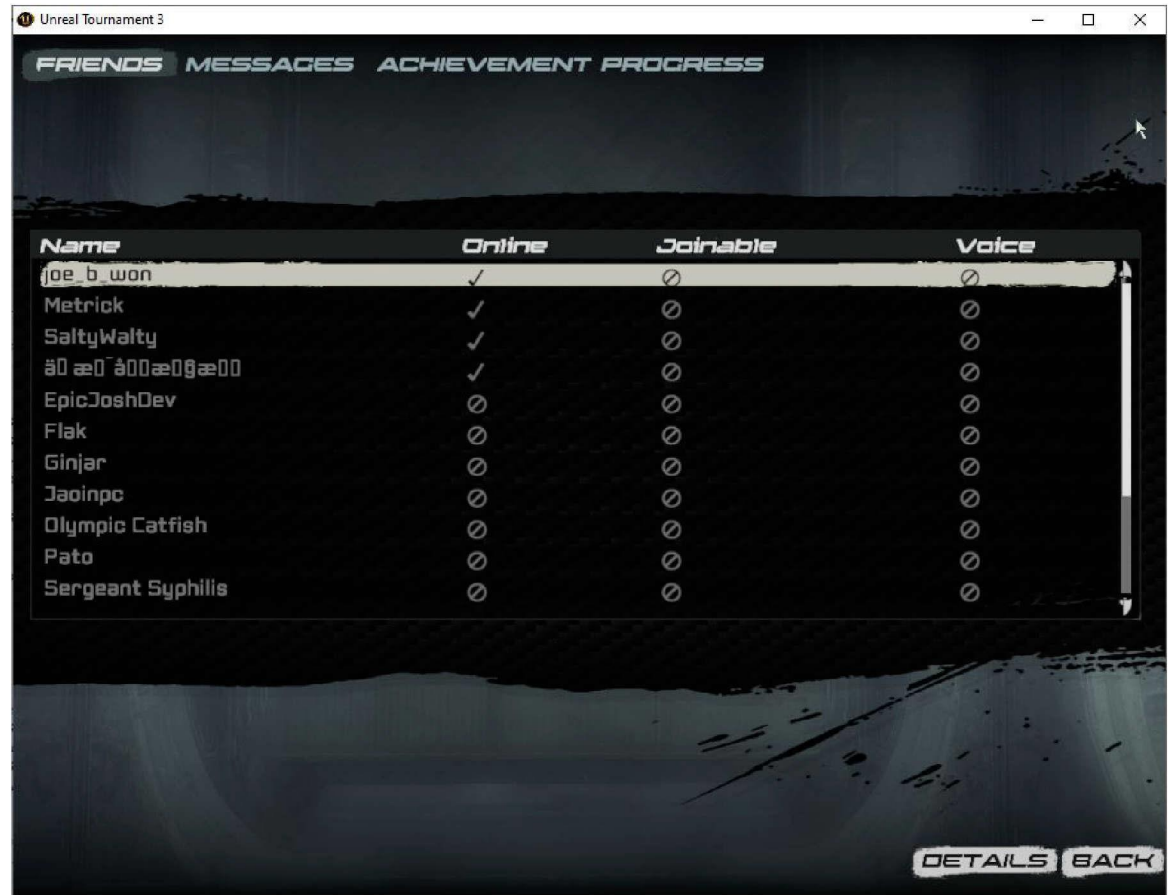


Steam Version first time the game launches after update/first run (Elver is the code name for UT3 updated Steam version)

## UT3 EGS/Steam Cross Store UI/UX - Joe G

On Steam once linked to Epic Account the Friends list is unified & sorted by:

Playing This Game  
Online  
Offline



# Upcoming Steam/EGS Cross Store Play Enabled Releases

**Borderlands 3** (out now)

**Tripwire w/ Killing Floor 2** (May 7 Free Week on EGS)

**UT3** (May TBD @ Free both @ EGS & Steam)

**GTA V: GTA Online multiplayer via Rockstar same as Red Dead 2** (May 14th Free Week via Test Flight)

**Ark Survival Evolved** (May 21st Free Week via Test Flight)

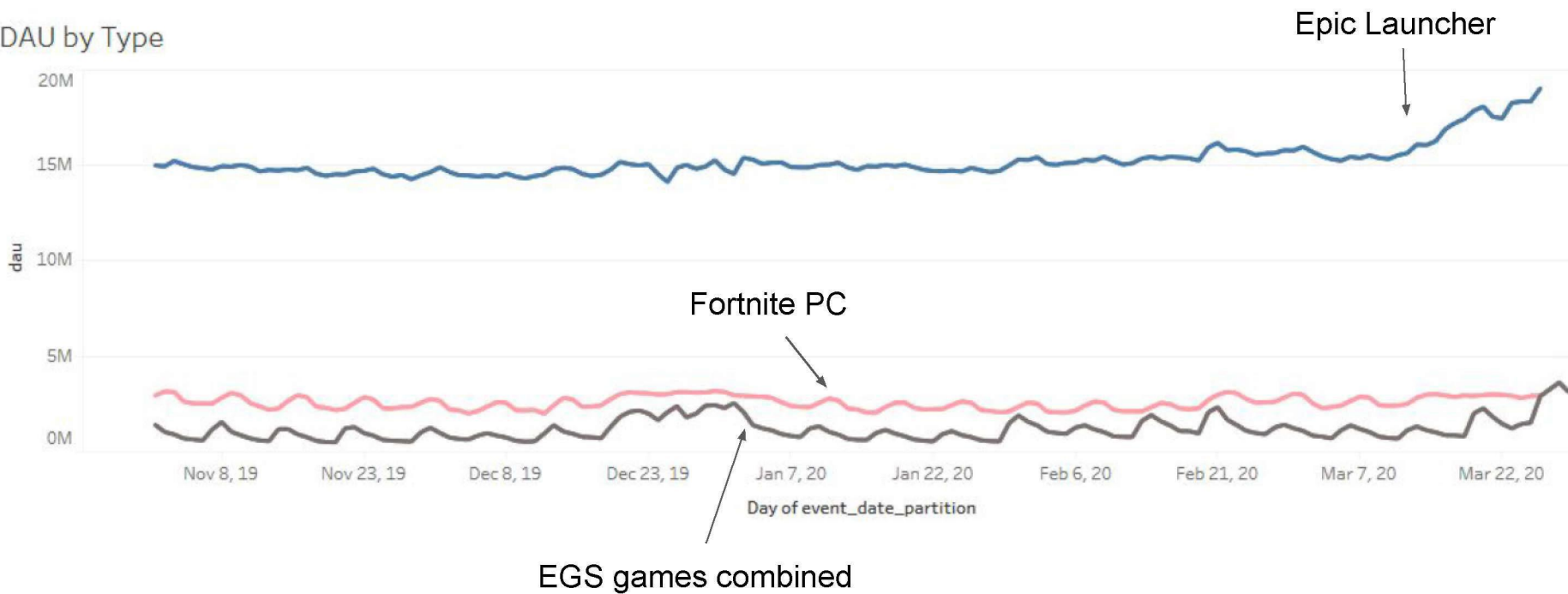
**Borderlands Handsome Collection** (May 28th Free Week via Test Flight)

**Civ 6** (June 4th Free Week via Test Flight)

**Conan Exiles** (June TBD EGS Free Week post Test Flight)

# DAU: Launcher vs EGS vs Fortnite PC

DAU by Type

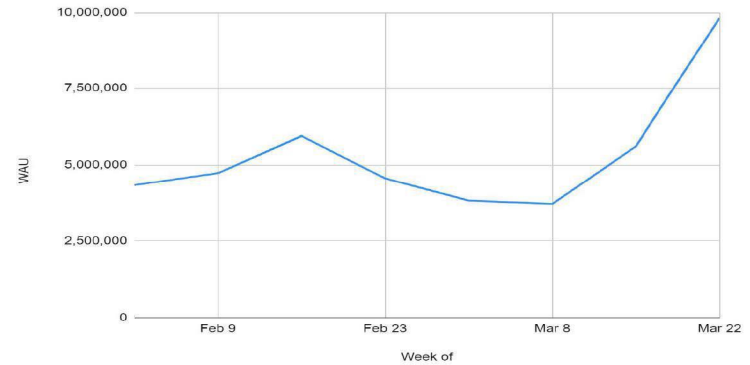


~19M on 3/26, don't have more recent data yet

# Impact of PC Players Staying @ Home - Additional KPIs

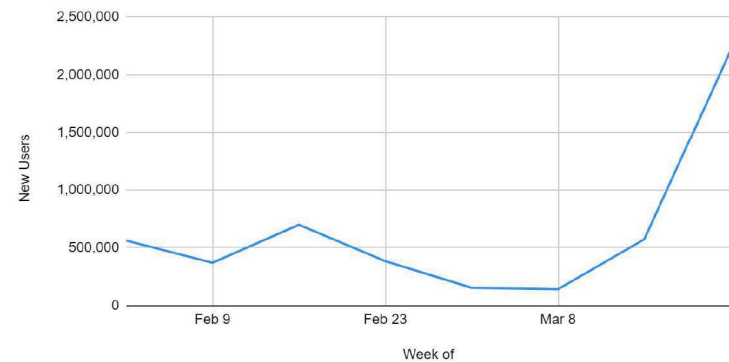
Week of	WAU	v Prev Wk +/-
Feb 2	4,334,722	
Feb 9	4,730,581	9.13%
Feb 16	5,952,845	25.84%
Feb 23	4,559,065	-23.41%
Mar 1	3,820,712	-16.20%
Mar 8	3,713,162	-2.81%
Mar 15	5,619,429	51.34%
Mar 22	9,822,279	74.79%

WAU by Week Feb-Mar



Week of	New Users	v Prev Wk +/-
Feb 2	563,475	
Feb 9	371,442	-34.08%
Feb 16	699,145	88.22%
Feb 23	385,338	-44.88%
Mar 1	155,343	-59.69%
Mar 8	142,487	-8.28%
Mar 15	574,449	303.16%
Mar 22	2,211,354	284.95%

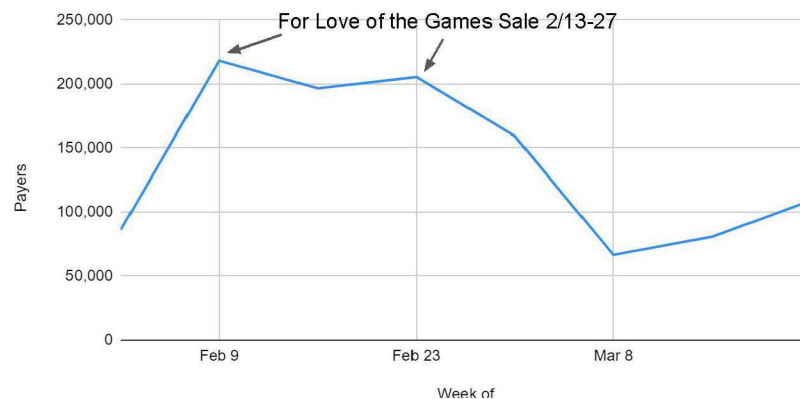
New Users by Week Feb-Mar



# Impact of PC Players Staying @ Home - Additional KPIs

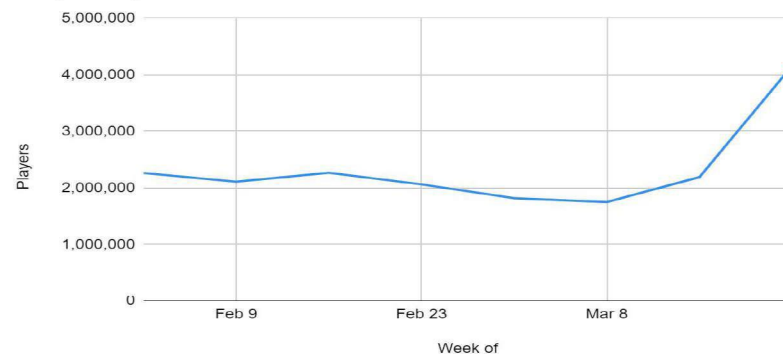
Week of	Payers	v Prev Wk +/-
Feb 2	85,922	
Feb 9	218,381	154.16%
Feb 16	196,620	-9.96%
Feb 23	205,511	4.52%
Mar 1	159,213	-22.53%
Mar 8	66,266	-58.38%
Mar 15	80,617	21.66%
Mar 22	108,787	34.94%

Payers by Week Feb-Mar



Week of	Players	v Prev Wk +/-
Feb 2	2,265,076	
Feb 9	2,111,855	-6.76%
Feb 16	2,268,020	7.39%
Feb 23	2,065,872	-8.91%
Mar 1	1,822,723	-11.77%
Mar 8	1,753,672	-3.79%
Mar 15	2,193,744	25.09%
Mar 22	4,163,244	89.78%

Players by Week Feb-Mar



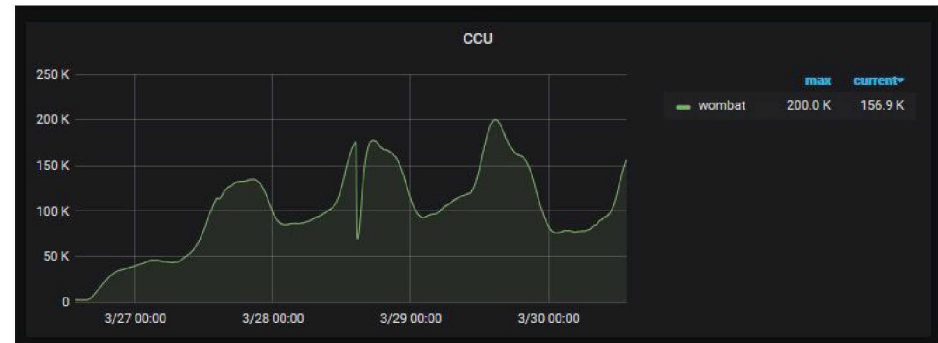
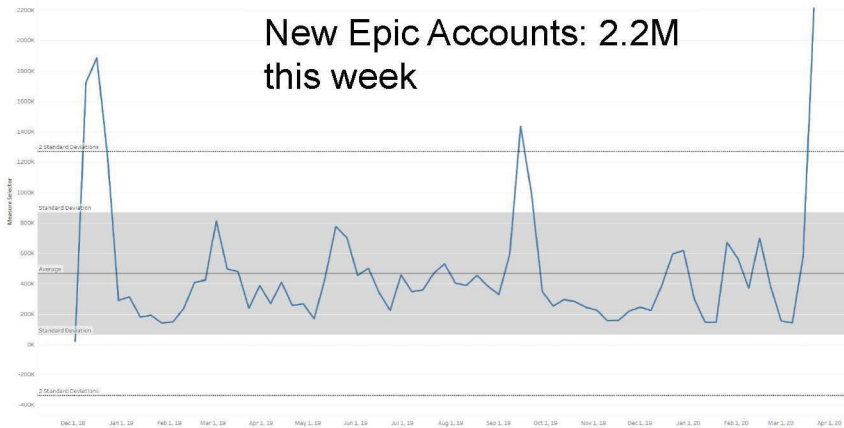




## WWZ Free: first 4 days recap

- 8.5mm new entitlements, 709K New Epic Accounts Thu-Sun, 1.5M new EGS users, bigger than Batman & the biggest Free Game to date both for entitlements and New Epic Accounts
- Peak CCU of 200K on 3/29, 23% higher than Left4Dead 2's record CCU of 162k in 2013 during a Steam free giveaway
- WWZ gross \$ up 4x from their non sale avg just on DLC purchases

New Epic Accounts: 2.2M  
this week





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# Testflight Additional Countries

## Follow FN

- Peru
  - 1.6M more PC FN users than EGS
  - \$13.7M more spend in FN than EGS
  - Moderate country size, moderate PC/Internet rank
  - Possibility for 'halo effect' in other neighboring countries where EGS also lags FN
- Argentina
  - \$20M more spend in FN than EGS
  - Large population , moderate PC/Internet rank
  - Moderate player base (783 FN, 430k EGS)
  - Possibility for 'halo effect' in other neighboring countries where EGS also lags FN
- Saudi Arabia
  - \$52.9M spend in FN
  - High population, high PC/Internet rank
  - Small player base (361k FN, 128k EGS)
  - 'Halo effect' potential
- Israel
  - \$22.2M in FN Spend
  - Small population, high PC/Internet rank
  - Small player base (381k FN, 135k EGS)

## Lead FN

- Korea
  - High ranking EGS Users and Spend
  - High population, highest ranked PC/internet access
- Russian Federation
  - Everything is right: big population, big user base, big spenders in both FN/EGS, high pc/internet rank
  - Risk: feasibility of marketing here
- Czech Republic
  - \$13M in FN Spend
  - "Goldilocks" scenario: top 1/3 for all categories except population

### Possible additional market:

- Turkey
  - Top 10 Steam market, but top 20 for FN and EGS

[Rankings](#)  
[Full Deck on Methodology](#)

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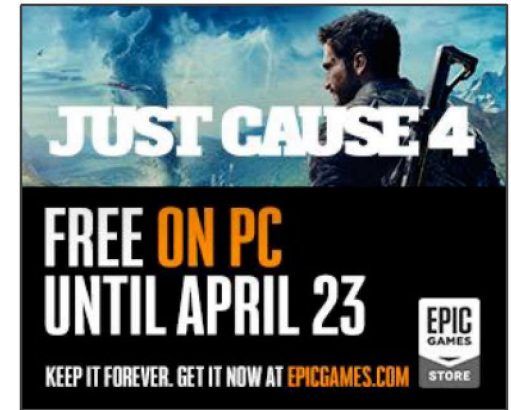
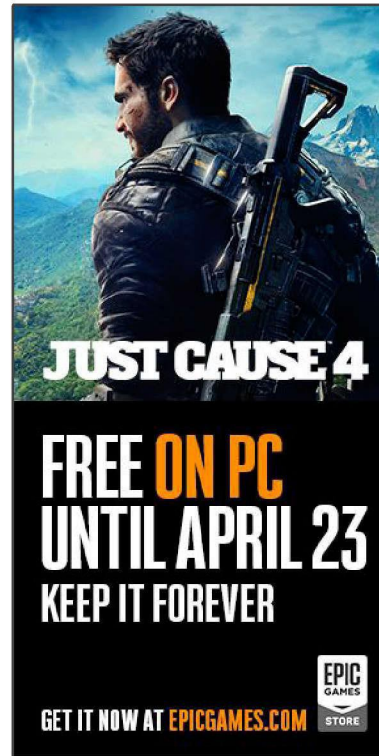
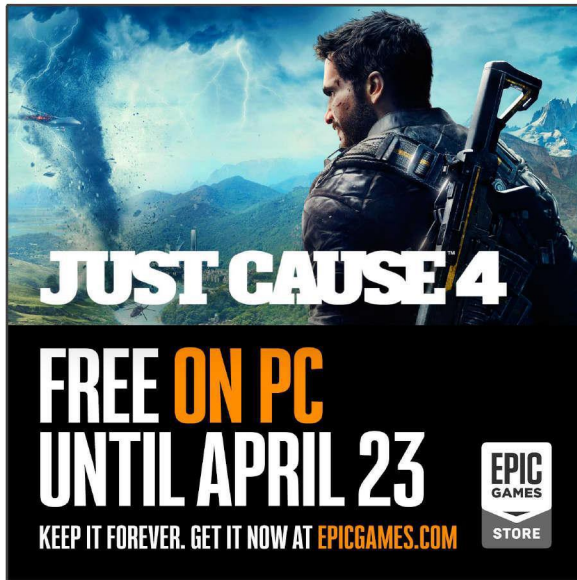
# Testflight: Why Not?

- **China + Hong Kong**
  - We can't effectively run marketing in these countries due to local regulation
- **Singapore**
  - high internet connectivity, pc ownership, and spend (FN and egs) is offset by low overall market penetration and population size
- **Italy and Spain**
  - We are saturating Western Euro
- **Philippines**
  - High population and moderate FN/EGS rank is offset by poor PC/internet rank and moderate spend
- **Indonesia**
  - High population and users are offset by poor pc/internet rank and moderate spend

# EGS State of Unreal 2020 Announcement Dates

- Keyless Partners (Genba, GOG Store 2.0, Greenman & Fanatical join Humble Store) March 23rd
- New Exclusive Partnerships Video (show video) March 23rd
  - [https://drive.google.com/file/d/1\\_FV4a6nNhvvtzLH7dnKYQUZfZ1PsYZyw/view](https://drive.google.com/file/d/1_FV4a6nNhvvtzLH7dnKYQUZfZ1PsYZyw/view)
- Third Party Publishing reveal March 25th
  - Press Briefings week before, embargoed
  - Video of First Partners Studios (Remedy, genDesign & Playdead)

Just Cause 4: Free Media Support & Creative Units - starts 4/16 in 12 Countries  
(US, Brazil, Argentina, Chile, Mexico, Peru, U.K., Germany, France, Sweden, Poland & Spain)



# Scenarios during the sale

## Base

2.7M purchases

\$72M gross sales

\$44M real money

\$27M cost in coupons

\$15.5 per new paying  
user

## Optimistic

4.4M purchases

\$106M gross sales

\$62M real money

\$44M cost in coupons

\$15.4 per new paying  
user

## Oh Fuck

8.7M purchases

\$174M gross sales

\$87M real money

\$87M cost in coupons

\$14.8 per new paying  
user

[Link](#)

# Scenarios post-sale

## Base

\$86M in coupons left  
in circulation

300K extra purchases,  
210K new buyers

\$7.5M real money

\$3M cost in coupons

## Optimistic

\$101M in coupons left  
in circulation

405K extra purchases,  
243K new buyers

\$8M real money

\$4M cost in coupons

## Oh Fuck

\$138M in coupons left  
in circulation

1.4M extra purchases,  
688K new buyers

\$21M real money

\$14M cost in coupons

# Scenarios overall

## Base

3M purchases,  
2M new buyers

\$52M real money

\$15.41 per new paying  
user

\$30M cost in coupons

## Optimistic

4.8M purchases,  
3.1M new buyers

\$70M real money

\$15.53 per new paying  
user

\$48M cost in coupons

## Oh Fuck

10M purchases,  
6.5M new buyers

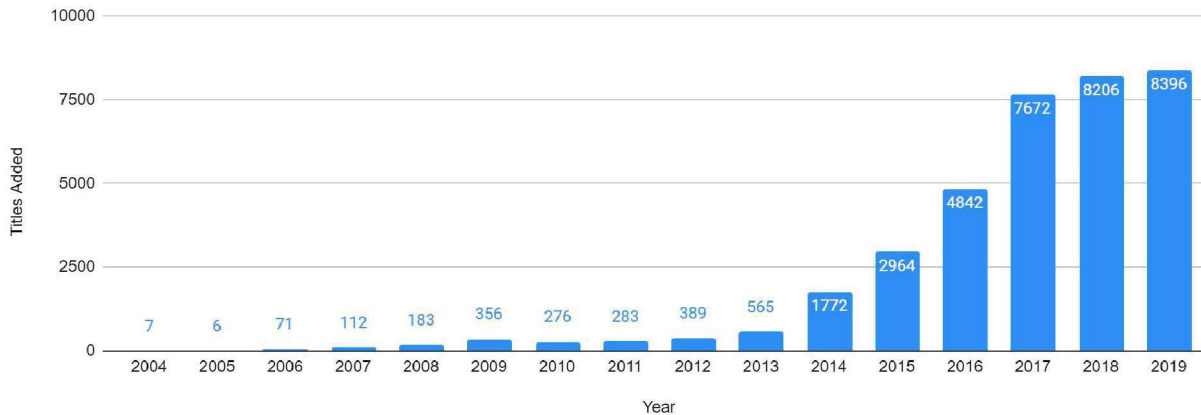
\$108M real money

\$15.37 per new paying  
user

\$100M cost in coupons

# Steam Releases by Year, Month, Total Catalog Size & Releases/Month by Year (Source: SteamSpy)

Titles Added by Year on Steam



Year	Titles Added	Total Titles	Releases/Month
2004	7	7	1
2005	6	13	1
2006	71	84	6
2007	112	196	9
2008	183	379	15
2009	356	735	30
2010	276	1,011	23
2011	283	1,294	24
2012	389	1,683	32
2013	565	2,248	47
2014	1,772	4,020	148
2015	2,964	6,984	247
2016	4,842	11,826	404
2017	7,672	19,498	639
2018	8,206	27,704	684
2019	8,396	36,100	700



Refund Policy - Epic Games Store & Steam use essentially the same time based policy

### **Epic Games Store**

- Games purchases are eligible for refund up to 2 weeks w/>2 hours played for full game
  - MTX/DLC is eligible 2 weeks from DLC/MTX purchase w/2 hours on parent game
  - MTX/DLC that is “consumed” excluded
- In game purchases on Epic developed games are subject to game specific policy (we need discuss how we want to communicate re: this & update these store pages/blogs covering refunds for FN and Rocket League when it gets here)
- Pre purchases can be cancelled at any time prior to release

### **Steam**

- Games purchases are eligible for refund up to 2 weeks w/>2 hours played for full game
  - MTX/DLC is eligible 2 weeks from DLC/MTX purchase w/2 hours on parent game
  - MTX/DLC that is “consumed” excluded
  - Some 3rd Party game DLC/MTX is excluded by publisher, exceptions are marked on store pages
- In Game purchases of items in any Valve developed game is 48 hours after purchase so long as item hasn't been consumed, modified or transferred
- Pre purchases can be cancelled at any time prior to release

# 2019 Steam Top 100 Not on EGS

2/24/20

# Onboarding Key/Major PC Titles Not on EGS

**THE THEOREM:** There is a large missed opportunity in the major 3rd party titles available on Steam that are not available here. Based on our major sim ships @ end of 2019 (Jedi Fallen Order, Red Dead Redemption) we can expect 20% (JFO) to 40% (Red Dead) of Steam sales performance for the same title offerings sim ship or catalog

- Reviewing the Platinum, Gold and Silver level titles on Steam's 2019 Top Sellers ([https://store.steampowered.com/sale/2019\\_top\\_sellers](https://store.steampowered.com/sale/2019_top_sellers)) 80 of these titles not on EGS earned a total of \$2.5BLN Gross on Steam (including DLC/MTX)
  - 20% of this is ~\$500mm in revenue opportunity we couldn't claim in 2019, this will be true in 2020 as well & more as we improve sim ship performance %s over time

# Summary of Findings

- **Theoretical ~\$500mm of EGS revenue IF all titles could have been supported & sold on EGS**
  - 2020 opportunity is less than ~\$500mm (+1 year in market & some in Free Program) but it is certainly hundreds of millions of revenue or high 10s of millions of new users (if added first as a free game), **it is critical to our success to get these titles into our catalog**
- **22 (~28%) of the 80 titles are currently secured or in negotiation to be in EGS Free Game program in 2020**
- **67% of titles are Multiplayer**
- **In 28% of the titles Mods are critical**
- **Engine Breakdown:**
  - Dev Tech: 61%
  - UE4: 24%
  - Unity: 15%

**These existing Platinum, Gold, Silver & Bronze titles not being on EGS is a glaring hole in our PC catalog - it will be hard to move market share so long as they are not also @ EGS**

# 2019 Platinum & Gold Titles Not on EGS

Green= Likely In Test Flight UA Event May-June 2020

Orange= Secured or in Negotiation for EGS Free Game Week in 2020

Platinum Steam Revenue Range = 50mm++

Gold Steam Revenue Range = 33-49.9mm

Silver Steam Revenue Range = 18-32.9MM

Bronze Revenue Range = 3-17.9mm

2019 Steam Platinum

Rank	Title	2019 Steam Level	Release Year	2019 Units	Total 2019 Revenue (Paid+DLC/MTX)	2019 Paid Game \$ (Excludes DLC/MTX)	Proj \$ DLC or In Game	Multiplayer Y/N	Engine	Mods Important?	DLC or In Game Monetization Scale
1	PUBG	Platinum	2017	15,000,000	\$323,076,923	\$210,000,000	\$113,076,923	Y	UE4	N	High
2	GTA V	Platinum	2015	4,200,000	\$187,600,000	\$105,000,000	\$82,600,000	Y	Dev Engine	Y	Very High
3	Monster Hunter World	Platinum	2018	4,488,000	\$177,512,000	\$151,912,000	\$25,600,000	Y	MT Framework	N	High
4	Warframe F2P	Platinum	2013	10,000,000	\$150,000,000	\$0	\$150,000,000	Y	Evolution Engine	N	Very High
5	Destiny 2 F2P	Platinum	2019	18,000,000	\$142,000,000	\$0	\$142,000,000	Y	Bungie Engine	N	Very High
6	Total War Three Kingdoms	Platinum	2019	2,200,000	\$97,098,000	\$87,098,000	\$10,000,000	Y	Dev Engine	Y	Mid
7	Sekiro Shadows Die Twice	Platinum	2019	2,382,000	\$95,256,180	\$95,256,180	\$0	N	Dev Engine	N	None
8	Civ 6	Platinum	2016	968,000	\$89,885,714	\$25,168,000	\$64,717,714	Y	Dev Engine	Y	Very High
9	Elder Scrolls Online MMO	Platinum	2014	1,600,000	\$53,333,333	\$19,200,000	\$34,133,333	Y	Dev Engine	N	Subscription MMO

**Total Steam 2019 Revenue From Platinums Not on EGS**

\$1,315,662,151

**Scope of 2019 EGS Opportunity Missed @ 20% of Steam**

\$263,132,430

Rank	Title	2019 Steam Level	Release Year	2019 Units	Total 2019 Revenue (Paid+DLC/MTX)	2019 Paid Game \$ (Excludes DLC/MTX)	Proj \$ DLC or In Game	Multiplayer Y/N	Engine	Mods Important?	DLC or In Game Monetization Scale
10	Witcher 3	Gold	2015	1,900,000	\$48,900,000	\$38,900,000	\$9,000,000	N	CD Projekt Engine	Y	Light (GOTY SKU has all DLC)
11	Mordhau	Gold	2019	2,200,000	\$48,900,000	\$48,400,000	\$500,000	Y	UE4	Y	Light Supporter Pack Only
12	Resident Evil 2 (Remake)	Gold	2019	1,600,000	\$47,200,000	\$43,200,000	\$4,000,000	N	RE Engine	N	Light
13	Devil May Cry 5	Gold	2019	1,700,000	\$46,800,000	\$40,800,000	\$6,000,000	Y (coop)	RE Engine	Y	Light
14	Halo Master Chief Collection	Gold	2019	2,300,000	\$46,000,000	\$46,000,000	\$0	Y	Bungie Engine	N	Light
15	Path of Exile	Gold	2013	3,000,000	\$36,000,000	\$0	\$36,000,000	Y	Dev Engine	N	Very High
16	Dead By Daylight	Gold	2016	3,200,000	\$34,909,091	\$19,200,000	\$15,709,091	Y	UE4	N	High
17	Final Fantasy Online MMO	Gold	2014	710,000	\$34,230,000	\$9,230,000	\$25,000,000	Y	Crystal Tools	N	Subscription MMO
18	Total War Warhammer 2	Gold	2017	1,300,000	\$33,200,000	\$31,200,000	\$2,000,000	Y	Dev Engine	Y	Light

**Total Steam 2019 Revenue From Golds Not on EGS**

\$375,139,091

**Scope of 2019 EGS Opportunity Missed @ 20% of Steam**

\$75,027,818

# 2019 Silver Titles Not on EGS

Rank	Title	2019 Steam Level	Release Year	2019 Units	Total 2019 Revenue (Paid+DLC/MTX)	2019 Paid Game \$ (Excludes DLC/MTX)	Proi \$ DLC or In Game	Multiplayer Y/N	Engine	Mods Important?	DLC or In Game Monetization Scale
19	Borderlands 2	Silver	2012	2,300,000	\$32,600,000	\$27,800,000	\$5,000,000	Y	UE3	N	High
20	Ark Survival Evolved	Silver	2015	2,200,000	\$31,800,000	\$28,800,000	\$3,000,000	Y	UE4	Y	Light
21	Rust	Silver	2013	1,400,000	\$30,400,000	\$29,400,000	\$1,000,000	Y	Unity	Y	Light
22	Risk of Rain 2	Silver	2019	2,300,000	\$29,900,000	\$29,900,000	\$0	Y	Unity	N	None
23	Black Desert Online MMO	Silver	2017	3,500,000	\$29,000,000	\$21,000,000	\$8,000,000	Y	Dev Engine	N	High
24	Divinity 2	Silver	2015	1,300,000	\$25,100,000	\$24,700,000	\$400,000	Y	Divinity Engine	Y	Light
25	Euro Truck Sim 2	Silver	2012	1,900,000	\$22,200,000	\$15,200,000	\$7,000,000	N	Prism 3D	N	High
26	War Thunder F2P	Silver	2013	2,400,000	\$22,000,000	\$0	\$22,000,000	Y	Dagor Engine 5.0	N	Very High
27	Code Vein	Silver	2019	650,000	\$21,450,000	\$21,450,000	\$0	Y	UE4	N	Light
28	Arma 3	Silver	2013	1,300,000	\$21,200,000	\$18,200,000	\$3,000,000	Y	Real Virtuality	Y	High
29	Remnant	Silver	2019	865,000	\$20,780,000	\$20,780,000	\$0	Y	UE4	N	None
30	Cities Skylines	Silver	2015	1,200,000	\$19,800,000	\$15,800,000	\$4,000,000	N	Unity	Y	Very High
31	Planet Zoo	Silver	2019	775,000	\$40,600,000	\$39,800,000	\$1,000,000	N	Cobra Engine	Y	Light
32	Stellaris	Silver	2016	400,000	\$18,900,000	\$10,400,000	\$8,500,000	N	Clausewitz Engine	Y	Very High
<b>Total Steam 2019 Revenue From Silver Not on EGS</b>					\$365,310,000						
<b>Scope of 2019 EGS Opportunity Missed @ 20% of Steam</b>					\$73,062,000						

# 2019 Bronze Titles Not on EGS

Rank	Title	2019 Steam Level	Release Year	2019 Units	Total 2019 Revenue (Paid-DLC/MTX)	2019 Paid Game \$ (Excludes DLC/MTX)	Proj \$ DLC or In Game	Multplayer Y/N	Engine	Mods important?	DLC or In Game Monetization Scale
33	Mortal Kombat 11	Bronze	2019	470,000	\$17,950,000	\$16,450,000	\$1,500,000	Y	UE3	N	High
34	Dark Souls 3	Bronze	2016	650,000	\$17,850,000	\$16,150,000	\$1,500,000	Y	Dev Engine	N	Light
35	Hearts of Iron 4	Bronze	2016	1,100,000	\$17,500,000	\$16,500,000	\$1,000,000	Y	Clausewitz	N	Light
36	Bloodstained	Bronze	2019	650,000	\$16,750,000	\$16,250,000	\$500,000	N	UE4	N	Very Light
37	Dying Light	Bronze	2015	1,200,000	\$16,600,000	\$15,600,000	\$1,000,000	Y	Chrome Engine 6	N	Light
38	NBA 2K20	Bronze	2019	503,000	\$16,081,000	\$13,581,000	\$2,500,000	Y	Eco Motion	N	High
39	Skyrim	Bronze	2011	900,000	\$16,000,000	\$13,500,000	\$2,500,000	N	Creation Engine	Y	High
40	Age of Empires 2 Definitive	Bronze	2019	1,120,000	\$15,680,000	\$15,680,000	\$0	Y	Ensemble Engine	N	None
41	Human Fall Flat	Bronze	2016	2,200,000	\$15,400,000	\$15,400,000	\$0	Y	Unity	N	None
42	Grim Dawn	Bronze	2016	1,300,000	\$15,300,000	\$14,300,000	\$1,000,000	Y	PathEngine	N	Light
43	Insurgency Sandstorm	Bronze	2016	1,000,000	\$15,000,000	\$15,000,000	\$0	Y	UE4	N	None
44	No Man's Sky	Bronze	2016	540,000	\$14,580,000	\$14,580,000	\$0	Y	Dev Engine	N	None
45	Frost Punk	Bronze	2016	900,000	\$14,500,000	\$13,500,000	\$1,000,000	N	Liquid Engine	N	Light
46	The Forest	Bronze	2015	1,100,000	\$13,200,000	\$13,200,000	\$0	N	Unity	N	None
47	Terraria	Bronze	2011	2,600,000	\$13,000,000	\$13,000,000	\$0	Y	MS.XNA Framework	N	None
48	Fallout 4	Bronze	2015	800,000	\$12,700,000	\$11,200,000	\$1,500,000	N	Creation Engine	Y	High
49	Stardew Valley	Bronze	2016	1,500,000	\$12,000,000	\$12,000,000	\$0	N	MS.XNA Framework	N	None
50	Shadow of Tomb Raider	Bronze	2016	500,000	\$11,500,000	\$10,500,000	\$1,000,000	N	Foundation Engine	N	Light
51	Imperator Rome	Bronze	2019	385,000	\$11,490,000	\$9,490,000	\$2,000,000	Y	Clausewitz	Y	Very High
52	Age 2	Bronze	2019	268,000	\$11,336,000	\$10,336,000	\$1,000,000	N	Apex Engine	N	Light
53	Ace Combat 7	Bronze	2019	296,000	\$11,325,000	\$10,325,000	\$1,000,000	Y	UE4	N	Light
54	Euroza Universalis IV	Bronze	2013	337,000	\$11,140,000	\$7,140,000	\$4,000,000	N	Clausewitz	Y	Very High
55	Conan Exiles	Bronze	2016	450,000	\$10,950,000	\$8,450,000	\$2,500,000	Y	UE4	N	High
56	World of Warcraft P2P	Bronze	2017	2,000,000	\$10,000,000	\$0	\$10,000,000	Y	BigWorld Engine	N	High
57	Jurassic World Evolution	Bronze	2016	330,000	\$8,910,000	\$8,910,000	\$1,000,000	N	UE4	Y	Light
58	Beat Saber	Bronze	2019	550,000	\$8,750,000	\$8,250,000	\$500,000	N	Unity	N	High
59	Two Point Hospital	Bronze	2016	570,000	\$8,550,000	\$8,550,000	\$1,000,000	N	Unity	N	Light
60	Astroneer	Bronze	2017	502,000	\$8,536,000	\$8,536,000	\$0	Y	UE4	Y	None
61	Gears 5	Bronze	2019	215,000	\$8,386,000	\$8,386,000	\$1,000,000	Y	UE4	N	Light
62	Hunt Showdown	Bronze	2019	520,000	\$8,320,000	\$8,320,000	\$1,000,000	Y	Crytech	N	Light
63	Jump Force	Bronze	2019	213,000	\$8,057,000	\$8,307,000	\$750,000	Y	UE4	N	Light
64	XCOM 2	Bronze	2016	400,000	\$8,000,000	\$8,000,000	\$1,000,000	Y	UE4	N	Light
65	Greasefall	Bronze	2019	242,000	\$8,470,000	\$8,470,000	\$0	N	Shik Engine	N	None
66	Raft	Bronze	2016	450,000	\$7,650,000	\$7,650,000	\$0	Y	Unity	N	None
67	Total War Warhammer	Bronze	2016	225,000	\$7,525,000	\$6,525,000	\$1,000,000	N	Dev Engine	Y	High
68	Hillmen 2 w/Free Entry Point	Bronze	2016	1,200,000	\$7,500,000	\$0	\$7,500,000	Y	Glacier 2	N	Very High
69	Dont Starve Together	Bronze	2016	800,000	\$7,400,000	\$6,400,000	\$1,000,000	Y	LUA & Flash	N	High
70	Rimworld	Bronze	2016	320,000	\$7,360,000	\$7,360,000	\$0	Y	Unity	N	None
71	NBA 2K19	Bronze	2016	230,000	\$7,010,000	\$6,210,000	\$800,000	Y	Eco Motion	N	High
72	Tropico 6	Bronze	2019	323,000	\$6,783,000	\$6,783,000	\$0	Y	UE4	N	None
73	Wallpaper Engine	Bronze	2017	2,500,000	\$6,575,000	\$6,575,000	\$0	N	Dev Engine	N	None
74	Overcooked 2	Bronze	2016	490,000	\$6,530,000	\$5,880,000	\$650,000	Y	Unity	N	Light
75	Kenah	Bronze	2016	405,000	\$6,480,000	\$6,480,000	\$0	N	UE4	N	None
76	Crusader Kings 2 P2P	Bronze	2012	600,000	\$6,000,000	\$0	\$6,000,000	Y	Clausewitz	N	Very High
77	Yu-Gi-Oh! Duel Links P2P	Bronze	2017	1,200,000	\$6,000,000	\$0	\$6,000,000	Y	Unity	N	Very High
78	Hunter Call of the Wild	Bronze	2017	280,000	\$4,320,000	\$3,920,000	\$400,000	N	Apex Engine	N	Light
79	American Truck Sim	Bronze	2016	240,000	\$3,600,000	\$2,400,000	\$1,200,000	N	Prism 3D	Y	High
80	House Flipper	Bronze	2016	250,000	\$3,500,000	\$3,000,000	\$500,000	N	Unity 3D	N	Light
<b>Total Steam 2019 Revenue From Silver Not on EGS</b>					\$513,844,000						
<b>Scope of 2019 EGS Opportunity Missed @ 20% of Steam</b>					\$102,768,800						

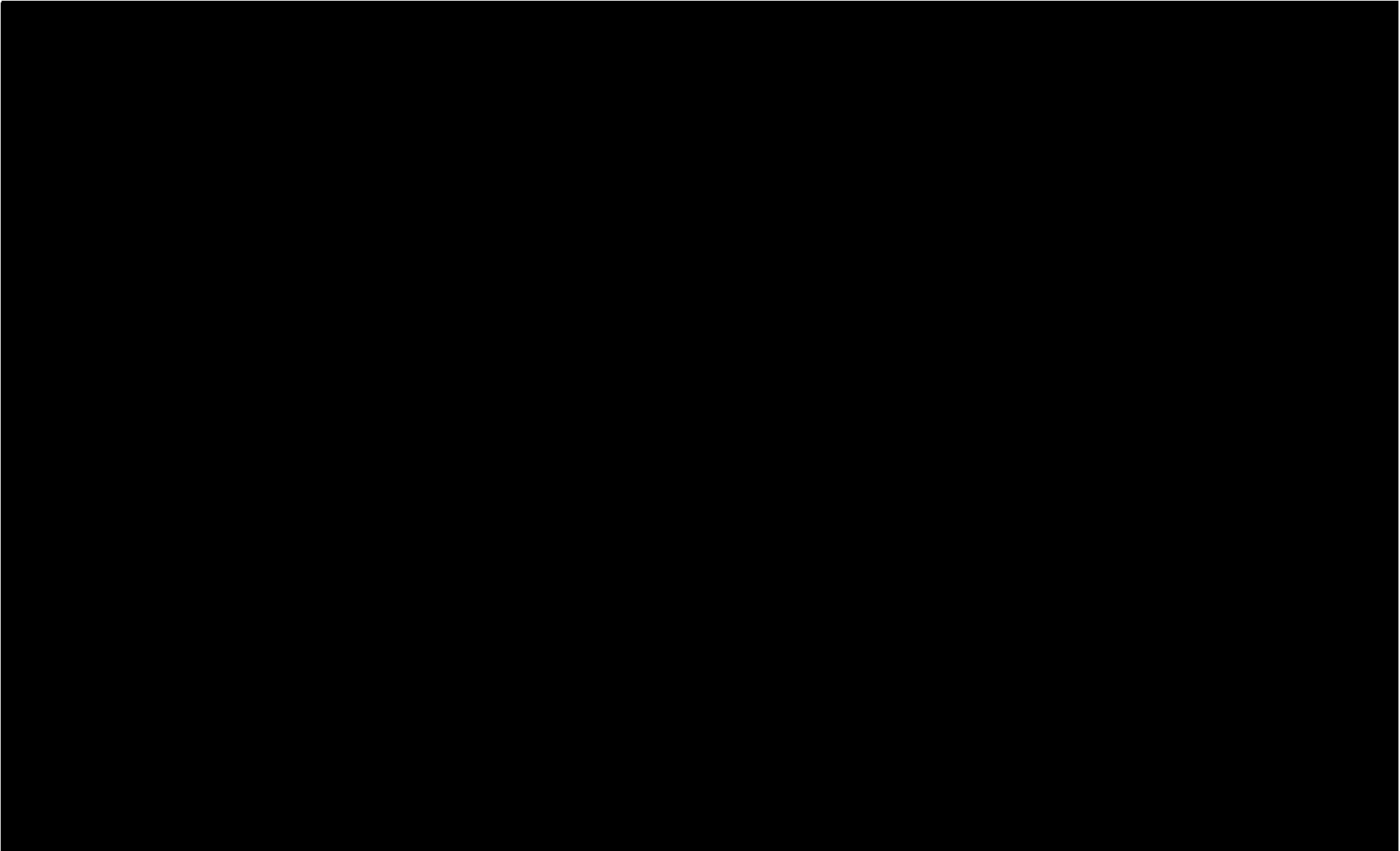
# Significant Challenges

- **Teams going back to do dev work on their shipped game & supporting multiple builds**
- **Unwinding Steamworks integrations**
- **Supporting online play across storefronts**
  - Can we build some baseline support for common scenarios?
- **Mod support for key titles**
  - All important mods in EGS mod marketplace for key titles
  - Auto loading of missing mods for multiplayer matches

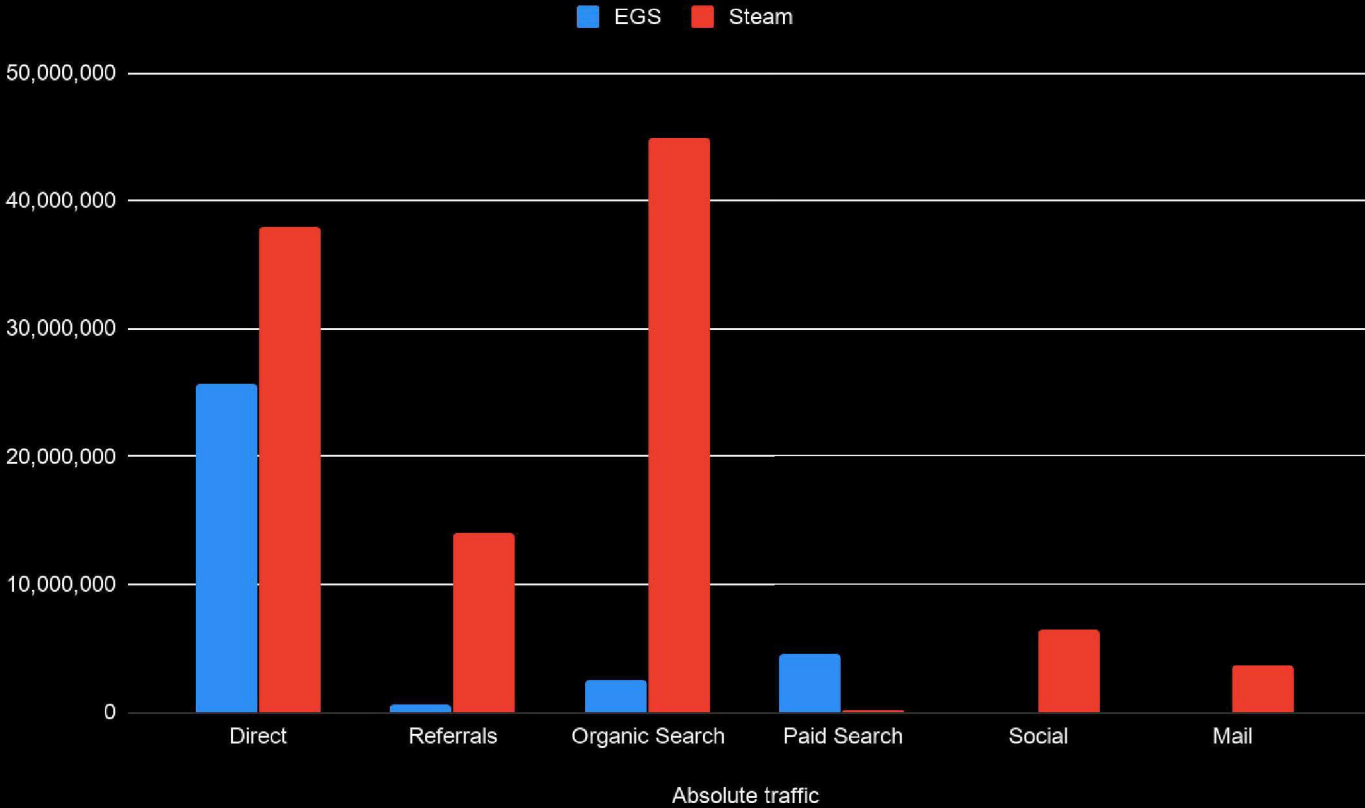
## Solutions to enable success:

1. Epic or 3rd Party develops cross storefront social and matchmaking solutions for EGS as a priority after GDC (Disbelief was interested in this project after DICE mtg)
2. Retain & fund external port teams to assist overall work on a title by title basis





# SEO is our biggest challenge when it comes to user acquisition

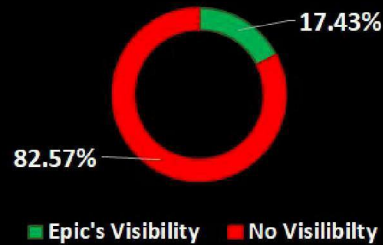


## Epic's Organic Search Engine Visibility

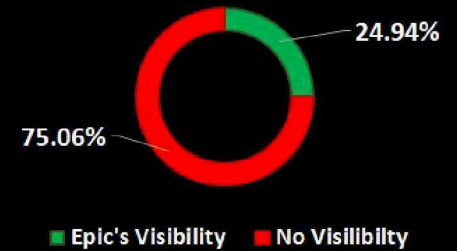
Scale of 0% - 100%

- Branded keyword visibility should be mid to high 90%.
- Branded keyword CTR is 2x to 3x higher than Non-Brand CTR.
- THIS IS FIXABLE.
- **ENORMOUS OPPORTUNITY.**

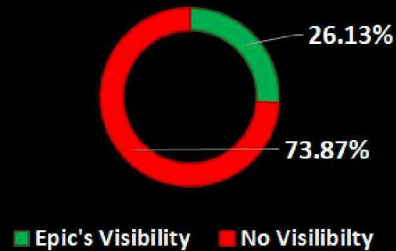
Epic Branded KWs (4,200)



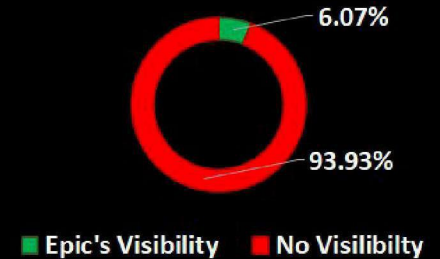
EGS Game KW Groups



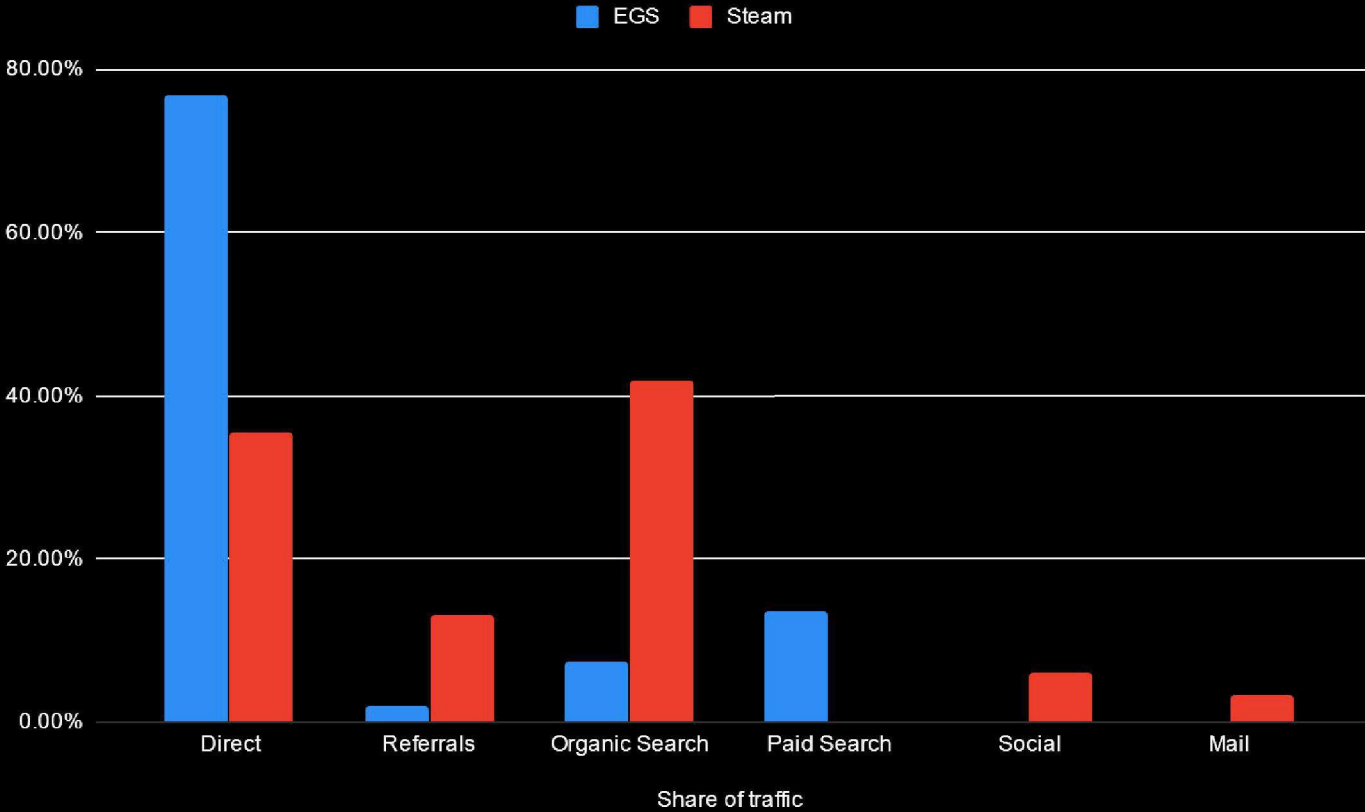
All Fortnite KW Groups (191m Vol)



Select Fortnite KW Groups (116m Vol)



# SEO is our biggest challenge when it comes to user acquisition







# Project Moonshot - Details

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- Retained Battery LA (Ad Age Small Agency of Year 2015, 2016 & 2018) for pitch. Met with them twice last week. Why:
  - Understand our space & goal
  - Global Media buying capabilities @ scale w/Havas
  - Creative excellence
- On site working session week of 10/21, pitch targeting week 11/11 - if we don't want to go forward we bail out. If we go forward we'll have option to bail out at various s



# Project Moonshot - Goal

	2019	2020	2021	2022	2023	2024
All figures in millions, except per user						
Assumptions   Users - Steam Doesn't React						
Monthly Active Users	14	22	30	40	45	50
Implied Revenue / MAU	\$15.25	\$18.41	\$18.84	\$19.32	\$22.87	\$24.15
Total Accounts	28	50	75	90	105	125
<b>Implied Cumm. Cost / New User<sup>1</sup></b>	<b>\$8.43</b>	<b>\$10.57</b>	<b>\$8.65</b>	<b>\$7.88</b>	<b>\$7.50</b>	<b>\$6.98</b>



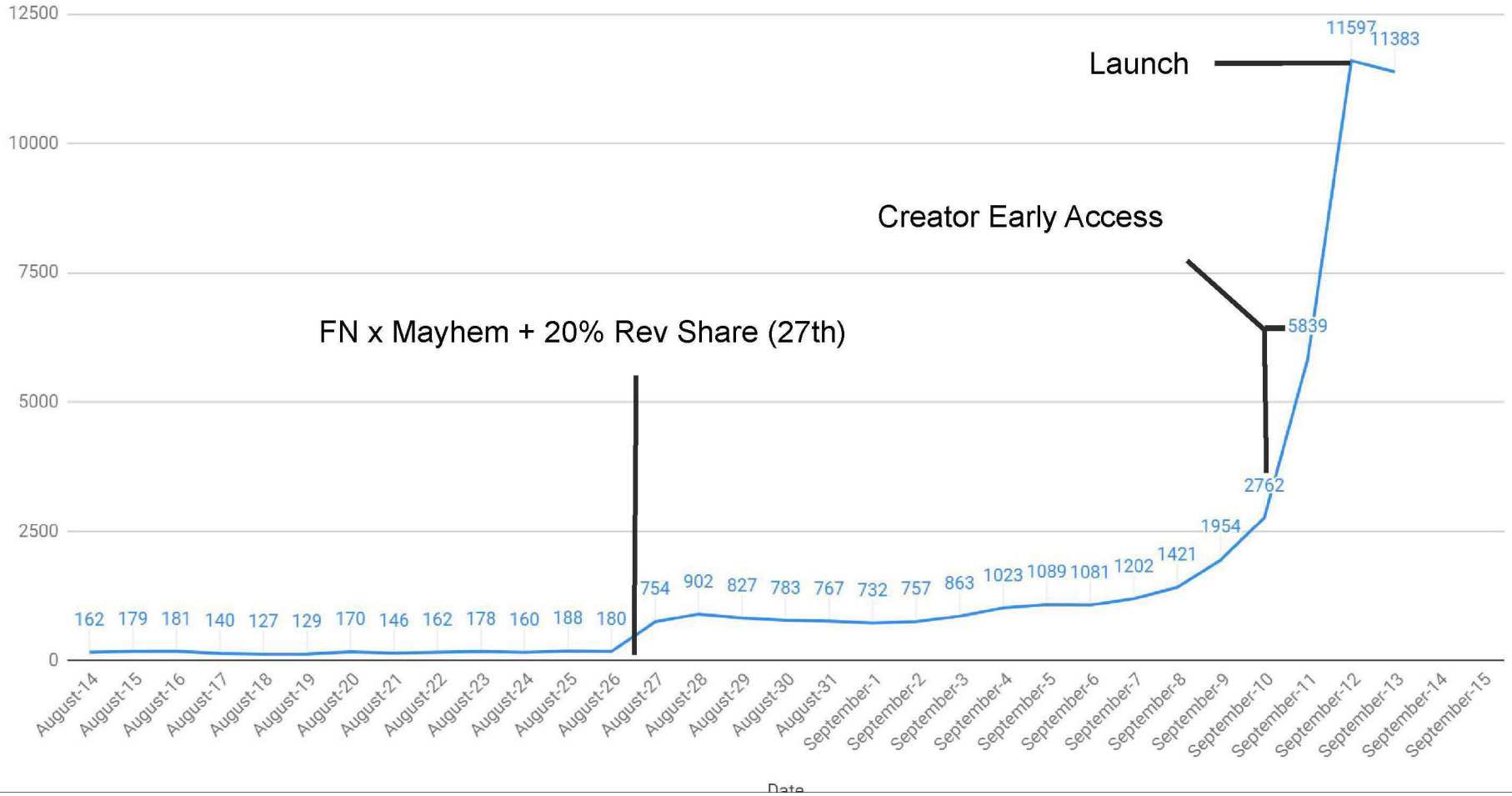
To get there we need to drive to 45MM MAU & 105MM Unique Users rapidly... (Steam reports 47MM DAU and 90MM MAU for 2019)

Project Moonshot's goal is to fire a rocket ship of support that shoots the Epic Game Store past the 2020-22 years in current 5 year plan to \$1BLN Gross Revenue by growing users & taking awareness well beyond much faster through investment in supporting the major beats that drive our business: Major launches, Free Games and Key Sale(s).

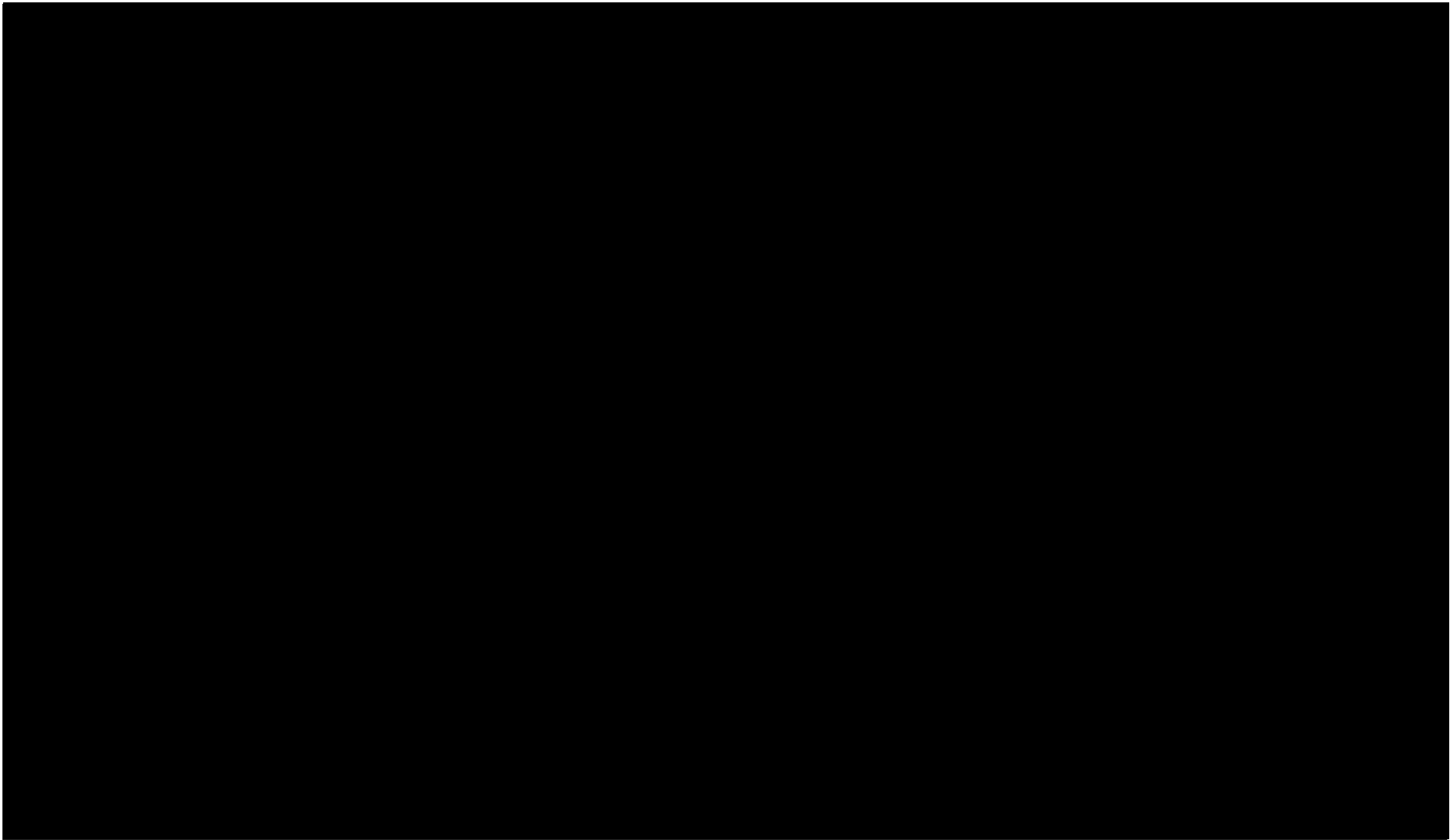




# BL3 Affiliated







# Epic Games Store WAU/MAU & DAU/MAU

EGs Only	ESs WAU (in millions)	EGs MAU (in millions)	WAU/MAU
Jan	1.06	3.02	<b>35.10%</b>
Feb	1.26	2.99	<b>42.14%</b>
Mar	2.08	5.2	<b>40.00%</b>
Apr	1.8	4.6	<b>39.13%</b>
May	2.55	6.1	<b>41.80%</b>
June	2.96	6.1	<b>48.52%</b>
July	3.15	6.5	<b>48.46%</b>
August	3.2	7.3	<b>43.84%</b>
September	5.5	10.1	<b>54.46%</b>

EGs Only	ESs DAU (in millions)	EGs MAU (in millions)	DAU/MAU
Jan	0.238	3.02	<b>7.88%</b>
Feb	0.253	2.99	<b>8.46%</b>
Mar	0.477	5.2	<b>9.17%</b>
Apr	0.43	4.6	<b>9.35%</b>
May	0.677	6.1	<b>11.10%</b>
June	0.8	6.1	<b>13.11%</b>
July	0.754	6.5	<b>11.60%</b>
August	1.035	7.3	<b>14.18%</b>
September	1.86	10.1	<b>18.42%</b>

WIP 2019/11/07 for Lucas/Disney WIP

# FORTNITE



**FREE IMPERIAL STORMTROOPER  
WITH PURCHASE OF  
STAR WARS JEDI: FALLEN ORDER  
FROM THE EPIC GAMES STORE**

[EPICGAMES.COM](http://EPICGAMES.COM)

STAR WARS  
**JEDI**  
FALLEN ORDER  
EA



STAR WARS JEDI: FALLEN ORDER AVAILABLE ON PC/MAC FROM EPIC GAMES STORE. FREE IMPERIAL STORMTROOPER OFFER EXPIRES ON NOVEMBER 30, 2022.  
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# Event Overview

	<b>OFFER LIVE</b> Friday 11/15 @ Midnight ET	<b>Saturday</b> 11/16	<b>Sunday</b> 11/17	<b>Thursday</b> 12/26 @ 7PM ET	<b>Friday,</b> 12/27	<b>Sunday,</b> 12/29 @ 7PM ET
<b>[PUBLISHING]</b>	EGS: Stormtrooper Offer / UA Live	EGS/FN: PC CRM Stormtrooper Blast	FN: Social Item Shop Leaving Soon Post (FB/IG/TW)	EGS/FN: Social Stormtrooper Posts (FB/IG/TW)		EGS/FN: Social Stormtrooper Posts (FB/IG/TW)
	EGS/FN: Social Stormtrooper Posts (FB/IG/TW)			EGS: CRM JFO + Stormtrooper Blast		
	FN: Stormtrooper YouTube Vid Live					
	EGS: Blog Published and Promoted on Social					
<b>[IN-GAME]</b>	EGS: Top Carousel Tile Live	FN: Stormtrooper MOTD (EGS PC)	FFN: Stormtrooper Leaves Item Shop @ 7 PM ET	EGS: Top Carousel Tile Live	FN: Stormtrooper MOTD (EGS PC)	FN: Stormtrooper Leaves Item Shop
	FN: Stormtrooper Live in Item Shop		FN: Star Destroyer Leaves Game	FN: Stormtrooper Live in Item Shop		FN: Star Destroyer Leaves Game (tbc)
	FN: Star Destroyer Live in Game in Skybox		FN: Stormtrooper MOTD (EGS PC)	FN: Star Destroyer Live in Game in Skybox		FN: Stormtrooper MOTD (EGS PC)
	FN: Stormtrooper MOTD (EGS PC)			FN: Stormtrooper MOTD (EGS PC)		

# Epic Game Store Assets



# Event Timeline



## Event Begins

- Blog Announce
- Toast Notification
- Creator Newsletter
- Creator "Picks"

## Rev Share & Social

- Select Games
- Social Posts

## Creator Blogs (?)

- Creator Profiles





Week 1:

~472K installs all platforms & ~\$90K revenue

~110K on PC & ~\$600

# Steam 2016-2018 Review

2017:

\$5.2BLN w/~\$1.2BLN (23%) coming from 3 games: PUBG(~\$510MM), DOTA 2 (~\$400MM) & CSGO (~\$300MM)

2018:

\$4.5BLN w/~\$1.06BLN (24%) came from the same 3 games PUBG, DOTA 2 & CS GO (-15% v 2017, ~33% above 2016)

The Top 100 games excluding Valve titles (incl PUBG):

2017: ~\$2.1BLN (40%)

2018: ~\$1.9BLN (42%)

All of Steam excluding Valve titles:

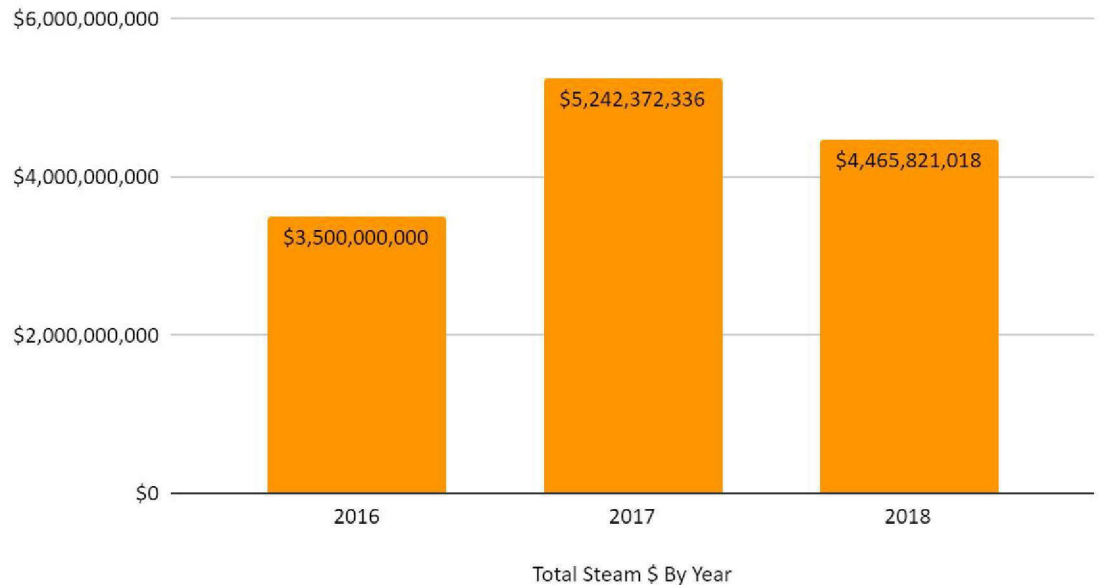
2017: ~\$4.4BLN (85%)

2018: ~\$3.95BLN (83%)

~41% or 41 out of 100 of the Top 100 on Steam each year are new/or shipped in prev Q4 in each year

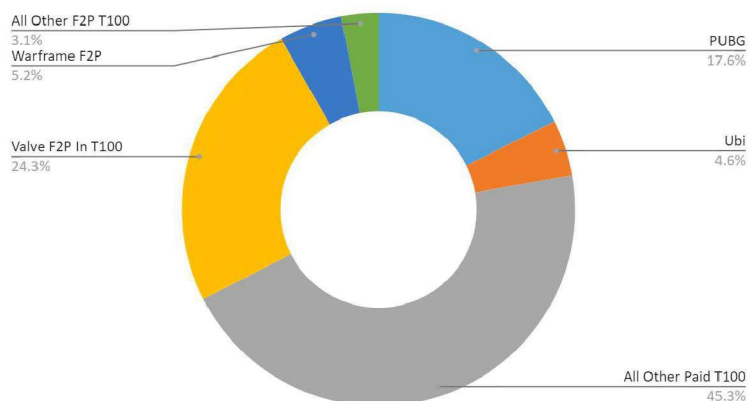
Estimates are up overall because there has been solid growth over past 2 years on in game transactions as a % of paid(DLC & MTX) + F2P games that Steam Spy doesn't capture, but M science shows the directional shift

Total Steam \$ By Year

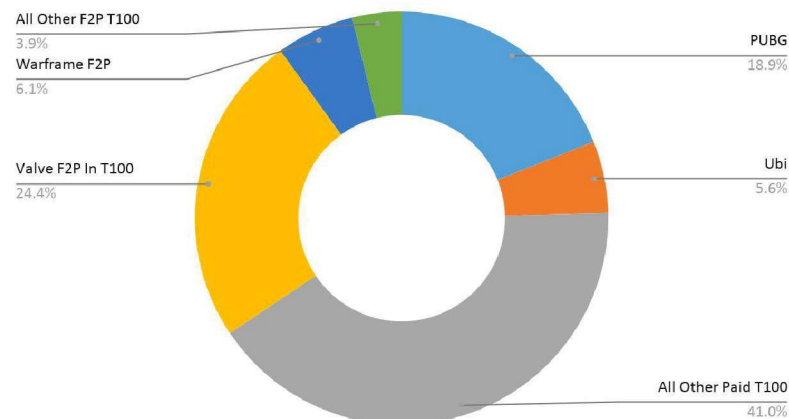


# Steam 2017-2018 Review

Steam Top 100 \$ Distribution 2017 (T100~\$2.1BLN excl. Valve titles)



Steam Top 100 \$ Distribution 2018 (T100 ~\$1.9BLN excl Valve titles)



# Steam F2P Games Estimated 2018 Revenue (must be in Top 100)

Sources: Steam Top Sellers Tiers for revenue banding, M-Science directional for weight of MTX, public statements from Leyou Corp filings re: Warframe

## Platinum Tier



\$250-300MM est.



\$300MM est.



\$120-150MM est.

## Gold Tier

\$17.5-33MM



## Silver Tier

\$14.5-17.4MM



## Bronze Tier

\$2.5-14.4MM



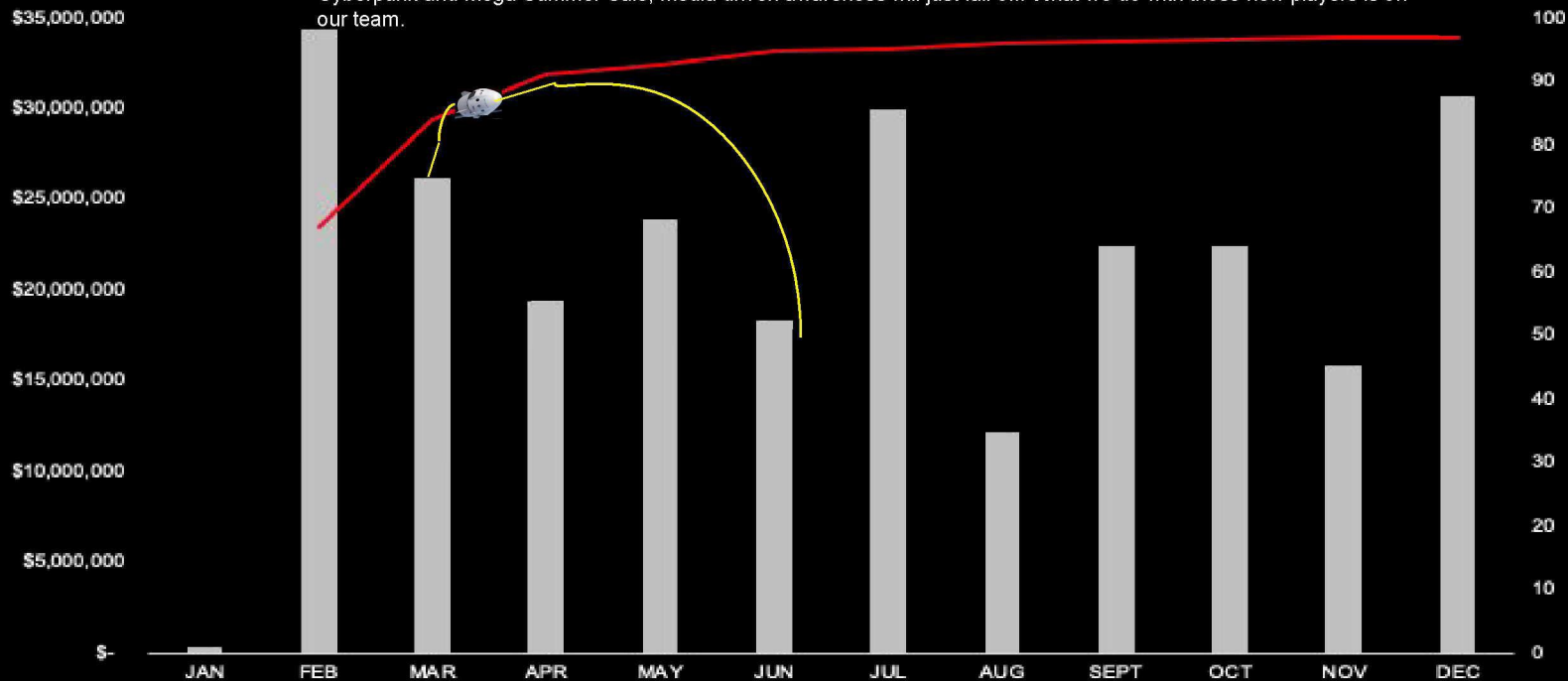
# PROJECT TEST FLIGHT

- A 2-4 week global event to push massive new user acquisition
  - 2-3 major Free Games at once live for 2 weeks (Civ 6, PUBG etc)
  - Raise global awareness of EGS
  - leave all players new or existing with the message that Epic Game Store is giving away free games weekly through 2020.
- Proposed 3/15/20 start aligns to March Madness in USA, FIFA & start of UEFA 2020 qualifiers in Europe re: unskippable linear media/TV
  - Would tell us everything we need to know re: if Moonshot mission should launch without us making the more major commitment
  - Also GDC week...
- \$ depend on how many countries & media mix



# CUMULATIVE REACH - TEST FLIGHT

Test Flight would drive same initial huge awareness spike as Moonshot generating tons of new accounts prior to Cyberpunk and Mega Summer Sale, media driven awareness will just fall off. What we do with those new players is on our team.



---

**Total Granted: 10,684**

**Total Redeemed: 528**

**Top Games: JFO, RDR2, Superliminal**



[Link](#)





2020

# PROJECT MOONSHOT UPDATE/ TEST DRIVE FOLLOW UP 11/25/19



# TEST FLIGHT PLAN

- March 15th start plan; 4 week run, 10 countries
  - Remove OOH tactics from Test Flight, focus on Media
  - No Brazil in Test Flight
- Pair w/ Major Free Titles (PUBG/CIV6/etc)
- Budget \$46MM
  - Includes rough creative cost
  - Media not negotiated, can come down 10-15%
  - Brazil proposal is \$10M on own as ++
- Goals
  - 4MM Incremental New Users
  - Blended global \$10 CPA

# Next steps

- Re-vet Model (early next week)
  - Run upside & more conservative scenarios
  - Settle on final model & projections
- Vet Timelines (this week & next)
  - Media/Spending Lock (\$14-18M of spend is use or lose)
  - Creative timeline for TV approval
- Core Offer (Dec & Jan)
  - Biz Dev on major title lockups
  - Tech team engagement for any services needed
- Onboarding regional teams for awareness/support (Dec & Jan)
  - LATAM, FR, DE, UK, PL, JP, AUS

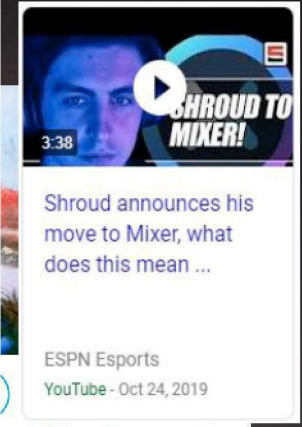
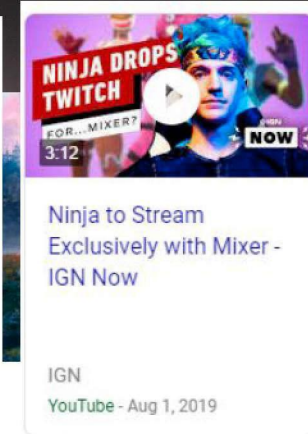
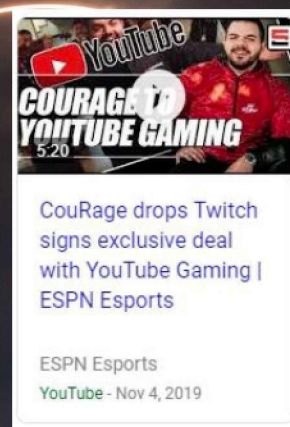
# Creator Partnerships 2020

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# Creator Proposal

- What Is It?
  - Paid influencer marketing effort to disrupt Steam's organic traffic coverage
- Why?
  - Elevate Store Awareness
  - Promote Support-A-Creator Program
  - Increase "SEO" via Creator Links
  - Disrupt Steam's organic traffic
  - Marketing commitment for Epic Games Store Partners
  - Long-term deals are here!
- Proposed Budget: \$10 - 15M



**Cohh Carnage** ✓  
@CohhCarnage

Twitch & YouTube. Streamed 2000 days straight! Sponsored by @ASUS\_ROG, @D [red arrow] @GOGcom & @Madrinas. Need VA? Let's talk.  
Email: CohhCarnage@OPG.tv.

📍 North Carolina, USA 🌐 twitch.tv/CohhCarnage 🕒 Born June 25  
📅 Joined April 2009

705 Following 149.4K Followers

👤 Followed by Dauntless, Alaya, and 83 others you follow

Tweets Tweets & replies Media Likes



# More Info

- S-A-C Affiliated Sales: \$12.9M
- S-A-C Affiliated Payout: \$1.2M
  
- Lock in a few more regions (DE, FR, PL)
- Any existing marketing commitments we should lock in multiple video deals.
- Consider “sponsoring” non-gaming channels in Tech/Science space



## What EGS titles are featured/being revealed?

### Segments w/EGS exclusives:

Godfall reveal  
Wolf Among Us 2 reveal  
Surgeon Sim 2 reveal  
Magic the Gathering - January release reveal  
Maneater - stage segment w/update  
Control DLC reveal - reveals connections to Alan Wake

### TGAs 2020 EGS video titles:

Godfall  
Rogue Company  
Predator Hunting Grounds  
Surgeon Sim 2  
Totally Reliable Service Delivery  
Foregone  
Before We Leave  
Red Lantern  
Mechwarrior 5  
Journey to the Savage Planet  
Industries of Titan  
Total War: Troy (pending deal close)





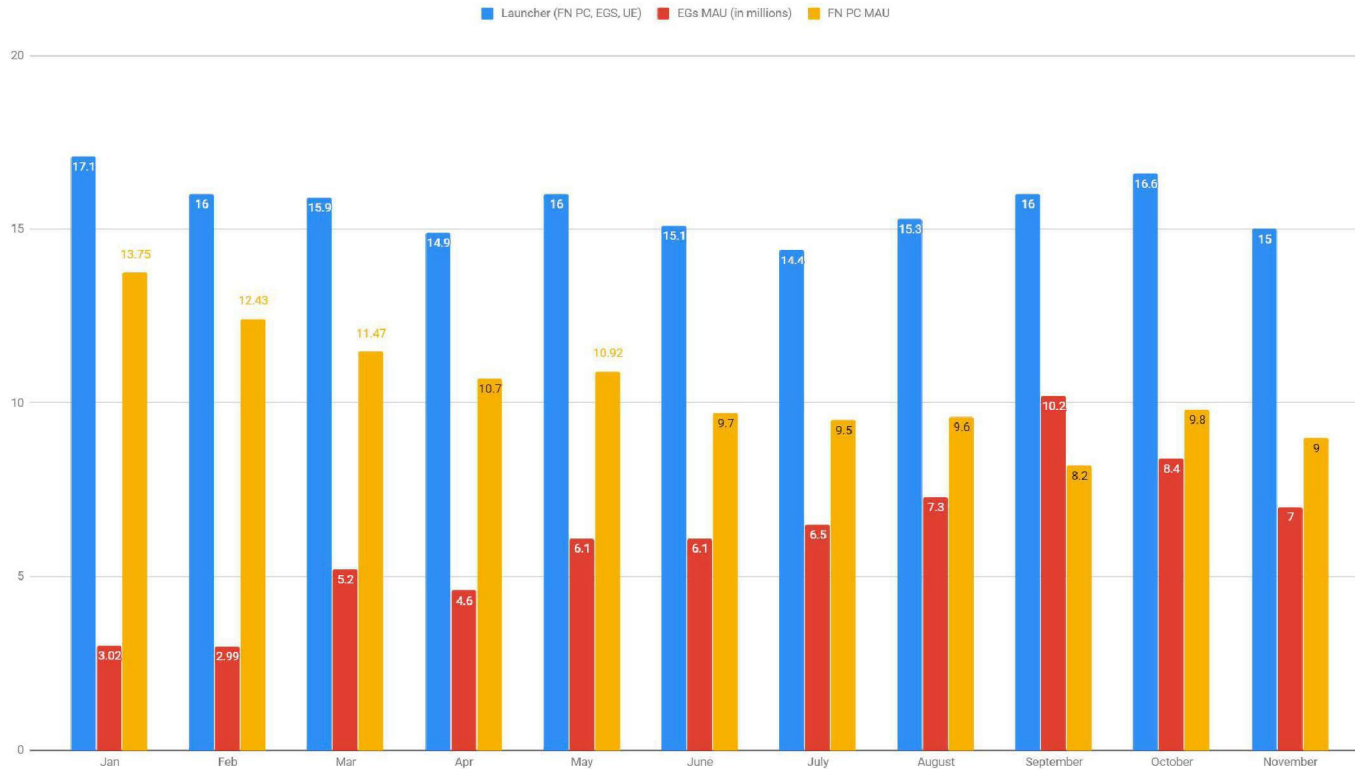
# EGS Revenue by Month

EGs Gross Revenue By Month (\$211 million gross through Nov 2019 - after deducting \$10 discounts from Mega Sale)



# EGS, FN & Launcher MAU by Month - 2019

Launcher (FN, EGS, UE) and EGs MAU (in millions)





# Steam Top 25 Titles 2018 (Q4 17-all 2018 New Releases Highlighted in Green)

<u>Rank</u>	<u>Title</u>	<u>Gross \$</u>
Platinum Range: \$33M+++		
1.	PUBG	\$465MM
2.	DOTA 2	\$400MM estimated
3.	Monster Hunter World	\$147MM
4.	Warframe	\$140MM estimated
5.	Rainbow Six Siege	\$ 80MM estimated
6.	CS GO	\$ 70MM estimated
7.	Rocket League	\$ 60MM estimated
8.	Civ VI	\$ 40MM estimated w/DLC
9.	GTA V	\$ 38MM
10.	Assassin's Creed Odyssey	\$ 37MM
11.	Elder Scrolls Online	\$ 35MM
12.	Far Cry 5	\$ 33.5MM
Gold Range: \$17.5MM-\$33MM		
13.	Ark Survival Evolved	\$ 32.9MM
14.	Dead By Daylight	\$ 32.6MM
15.	Kingdom Come Deliverance	\$ 32MM
16.	Jurassic World Evolution	\$ 23.8MM
17.	Divinity Original Sin 2	\$ 20MM
18.	Assassin's Creed Origins	\$ 19MM
19.	Warhammer Total War 2	\$ 18.6MM
20.	Witcher 3	\$ 18MM
21.	Cities Skylines	\$ 17.5MM
22.	Stellaris	\$ 17.5MM
23.	Path of Exile	\$ 17.5MM
Silver Range: \$14.5-17.5MM		
24.	Euro Truck Sim	\$ 17.4MM
25.	Frostpunk	\$ 17.4MM



# 2020 Strategy & Tactics Update

Goals: **\$1B Revenue & Triple MAU**, (?) Drive broader adoption of EOS (is this store?), (?) Launch a functional Android store

Strategy: Continue Exclusives and Free Games. Radically increase awareness of platform. Diversify game offerings rapidly.

# Thematic Points

**Content is still king**; find sources of new to PC content to drive new users

- Bring “never been on Steam” titles to EGS
- Give up zero “de facto” exclusives to Steam in 2020

**Increase user base** via exclusives & free games

- AAA Tentpole per month for Free games
- Biggest exclusives are in Q4

**Increase awareness rapidly**, drive global awareness Epic Games Store & content we have

- Overcome Steam’s \$75MM SEO advantage and history
- Project Testflight on track for Mar 15 depending on closure and tech work (Civ 6) of tentpole content, may move into April/May
- Project Moonshot kickoff post Testflight analysis

**Increase Revenue**; sales drive the tail

- Constant sales cadence to meet industry standards
- Work on active pricing vs other platforms



# Individual Tactics

## **(Content) Sony 1P titles**

- Offer extended at \$200M MG+ for 4-6 titles
- Awaiting feedback

## **(Content) MS 1P titles**

- Opening conversations
- Internal feedback from MS:
  - Their PC Game Pass leader is against what we're doing
  - They are effectively bidding against us for content
  - Phil is meeting with Gabe @ Valve occasionally

## **(Content) Nintendo 1P titles**

- Not started; is a “Moonshot” unto itself
- Corporate history says this is a non-starter

# Thematic Points

## **(Content) Riot Games**

- First meeting with Riot Forge team last week (12/12) for their single player games (non exclusive), LOL is a longshot

## **(Content) Activision/Blizzard**

- Opening conversations via Activision/Tony Hawk expected to lead to more

## **(Content) EA**

- Opening created by JFO, X-Wing next

## **(Content) Rocket League F2P**

- Kickoff conversations with Psyonix done

# Thematic Points

## (Content) Android/Mobile titles

- First meetings with Glu Mobile
  - Titles need to be download, not webkit
- Machine Zone, King are next most viable targets
- Identify additional targets is next step

# Thematic Points

## **(Services) No de facto exclusives**

- Start building a list of “must ships” to get into tech conversation

## **(Awareness) Project Test Flight**

- On track for Mar 15

## **(Awareness) Project Moonshot**

- Follow up after Testflight results

## **(Sales) Plan 2020 Sales Schedule, always something on sale**

- Quarterly, weekly, daily cadence to industry standard



Launched 12/3  
~54K units sold  
~\$2MM Gross \$ LTD/\$11MM MG (12 mo.)  
(incl pre sales)

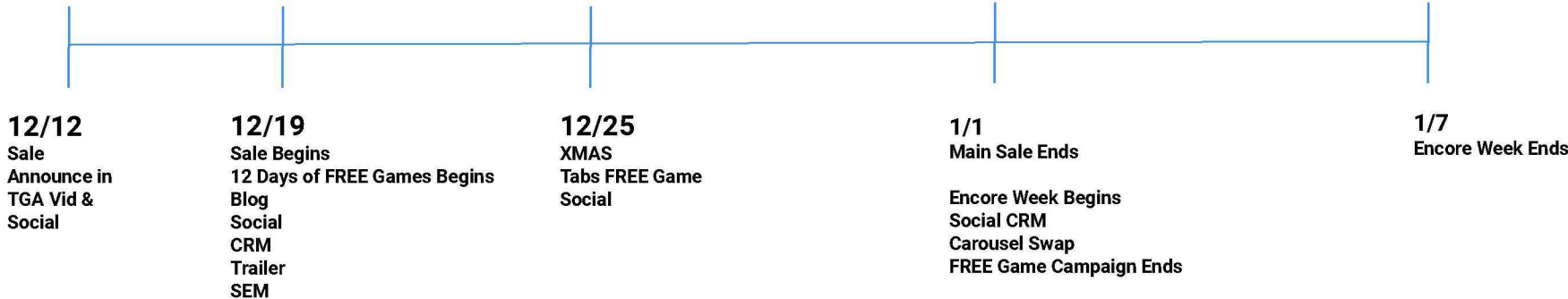


Launched 12/10  
~51K units sold  
~\$2.3MM Gross \$ LTD/\$15MM MG (Lifetime Recoup)  
(incl pre sales)



Launched 12/12  
~101K units sold  
~\$2.5MM Gross \$ LTD/\$10MM MG (Lifetime Recoup)  
(incl pre sales in Mega Sale)

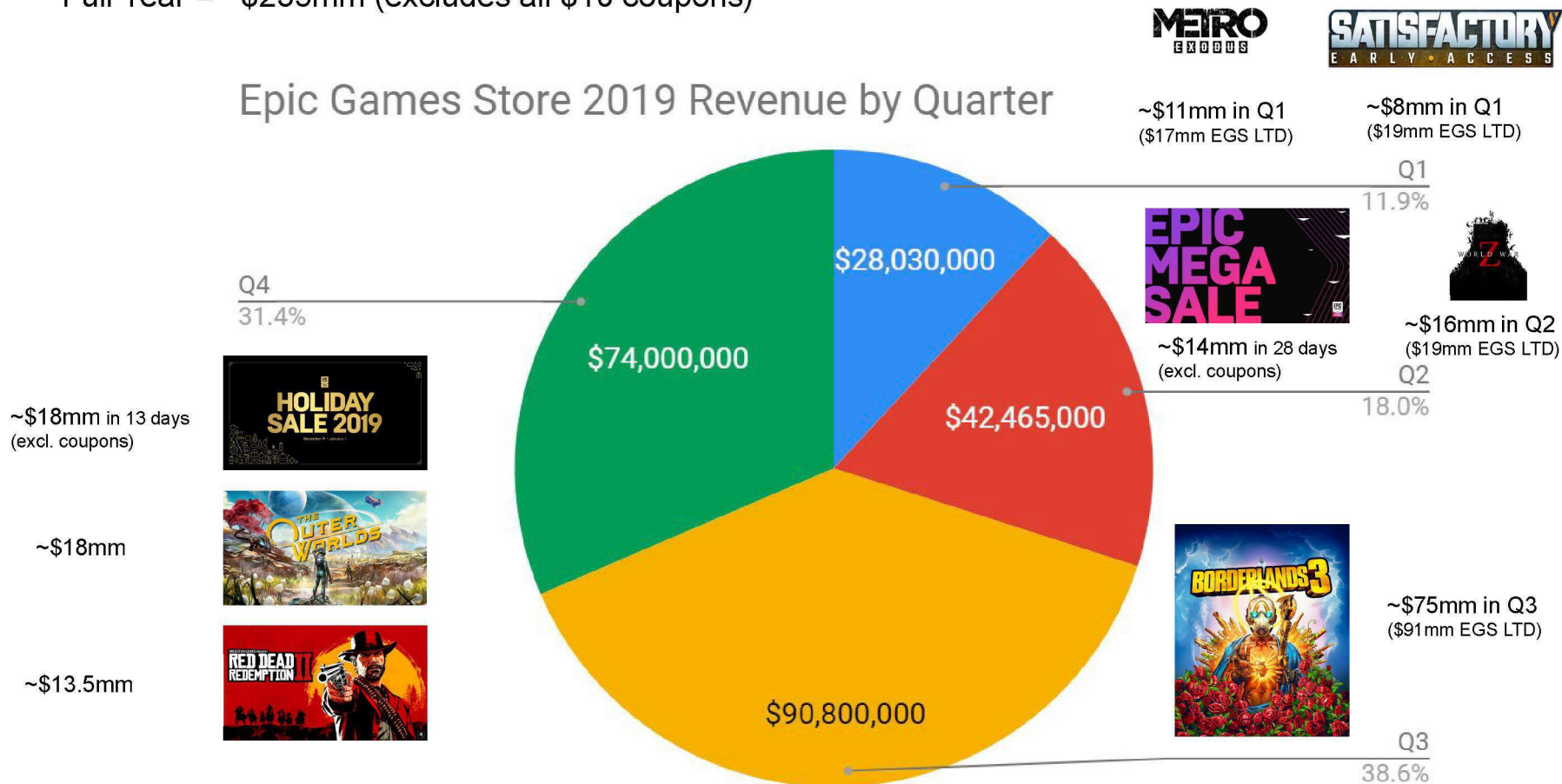
# High-Level Calendar





2019 Review - EGS Gross Revenue  
 Full Year = ~\$235mm (excludes all \$10 coupons)

Epic Games Store 2019 Revenue by Quarter

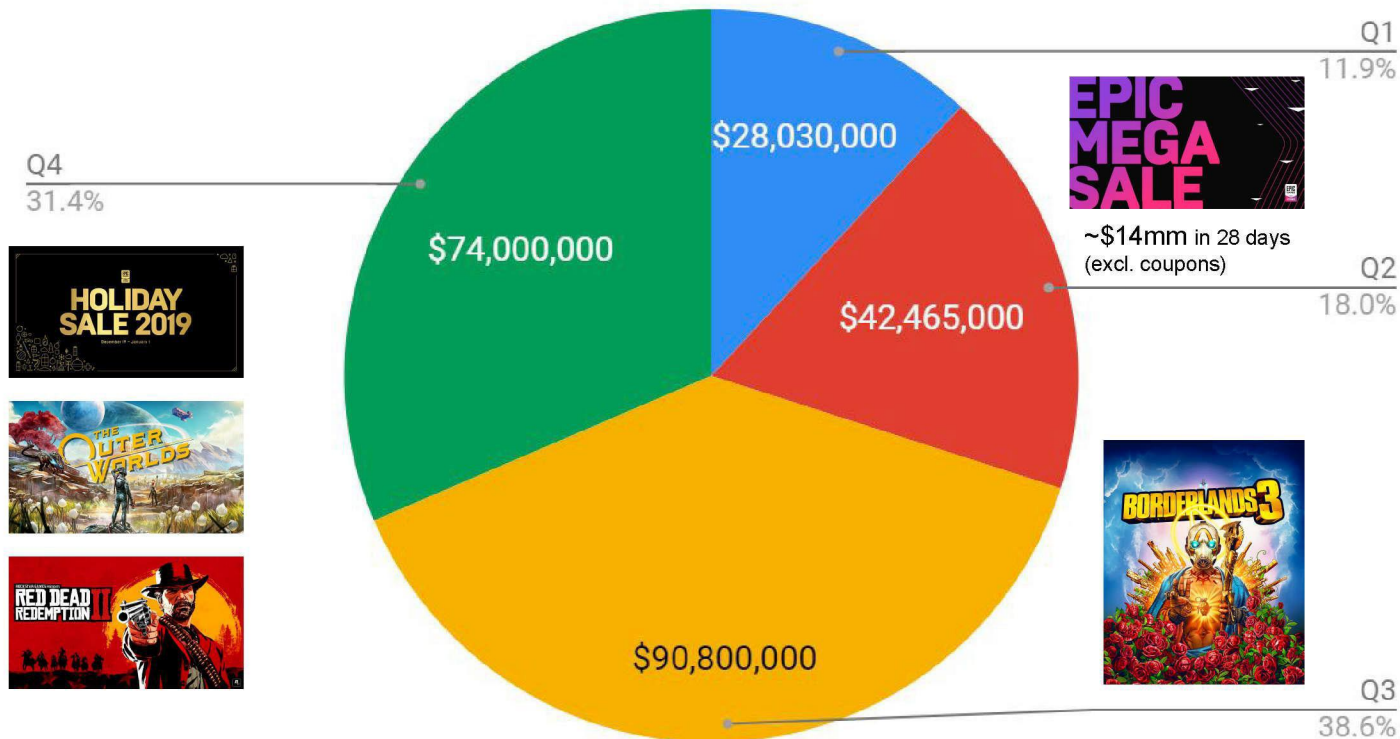




2019 Review - EGS Gross Revenue  
Full Year = ~\$235mm (excludes all \$10 coupons)



## Epic Games Store 2019 Revenue by Quarter



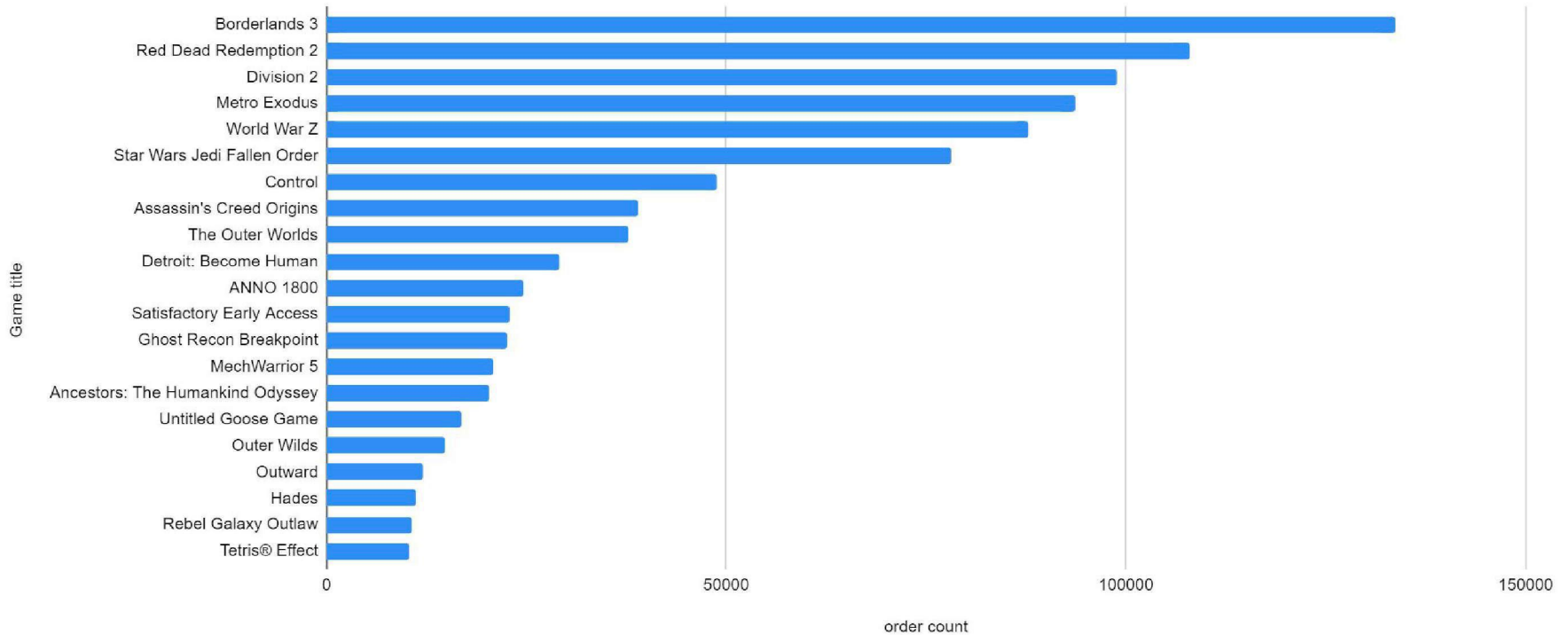
# Holiday Sale 2019 Recap (excluding couponing)

- **\$18MM actual money spending 12/19-1/1 @ 11AM (sale end) ~\$1.4MM/day avg.**
  - Mega Sale was \$500K/day avg. real money spending
  - Encore Week is 1/1-7
- **~1.2 million transactions, 83% of purchases or ~ 1 million used \$10 coupon**
  - \$10mm in coupon subsidy from Epic 12/19-1/1 @ 11AM
- **7.7 million coupons issued during this date range w/redemption rate of 13%**
  - ~6.7mm coupons unused
  - Coupons issued expire 4/30/20 & redemption rate will increase over time

# Holiday Sale 2019 Recap - Coupon Usage

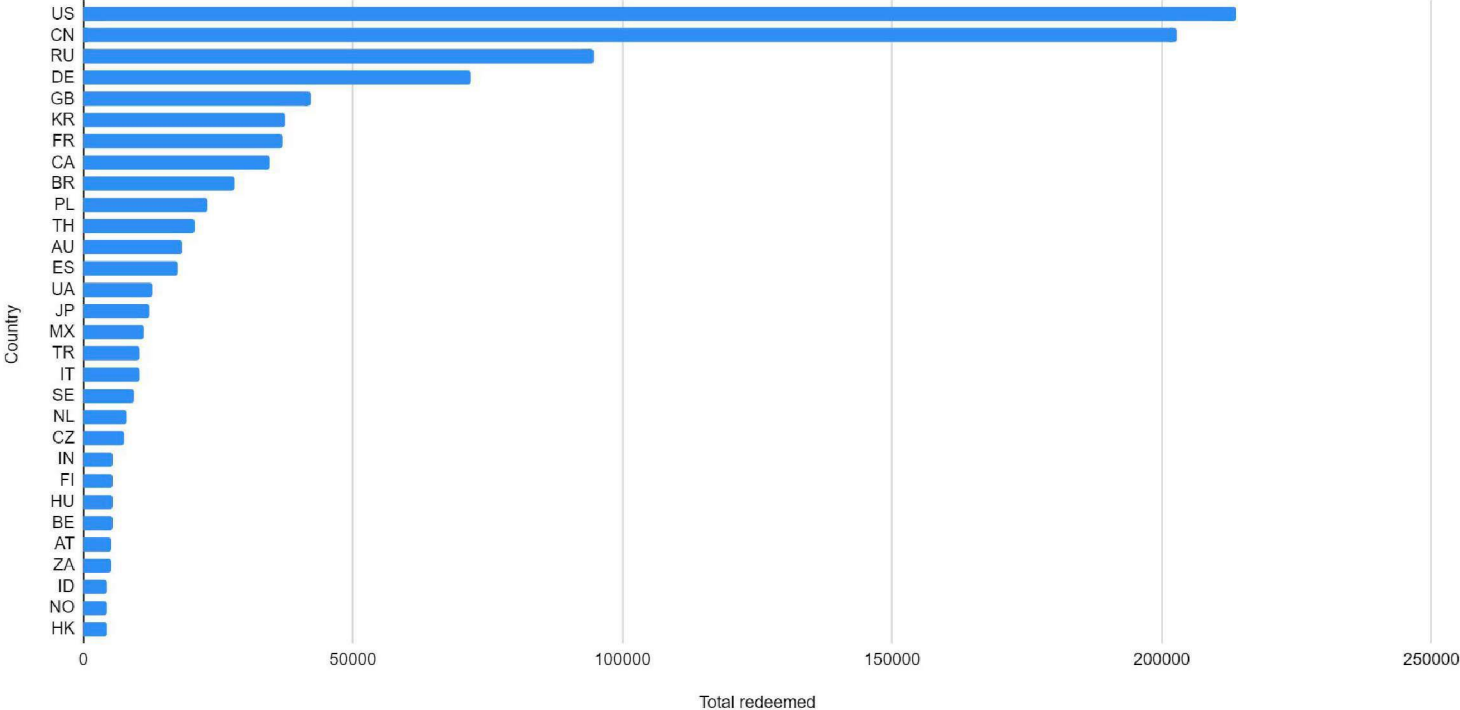
Data Represents 95%+ of all sales where coupon was used 12/19-1/1 @ 11AM

## Coupons Redeemed by Game

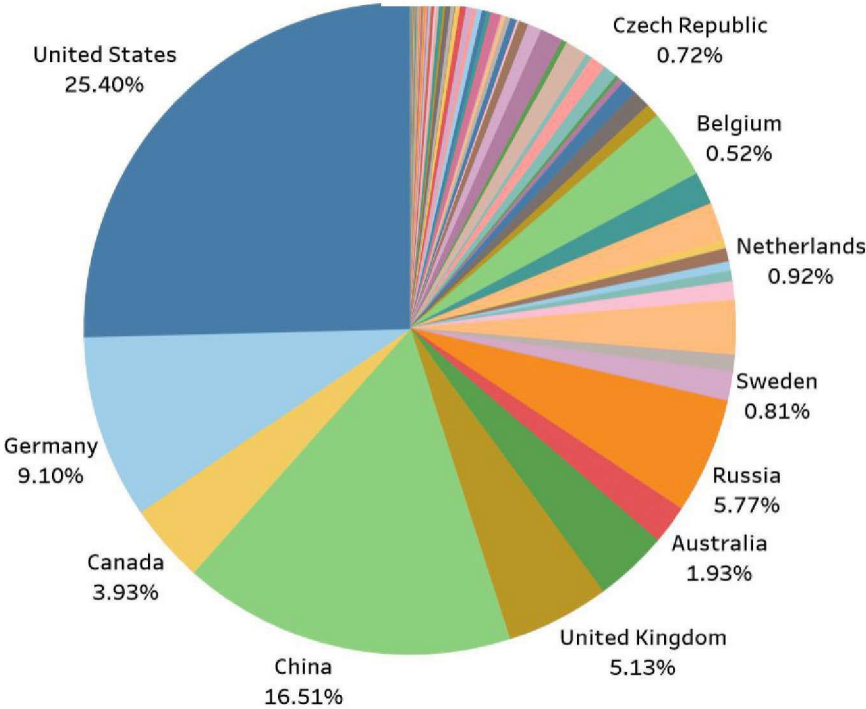


# Holiday Sale 2019 Recap - Coupon Usage

Total Coupons Redeemed by Country

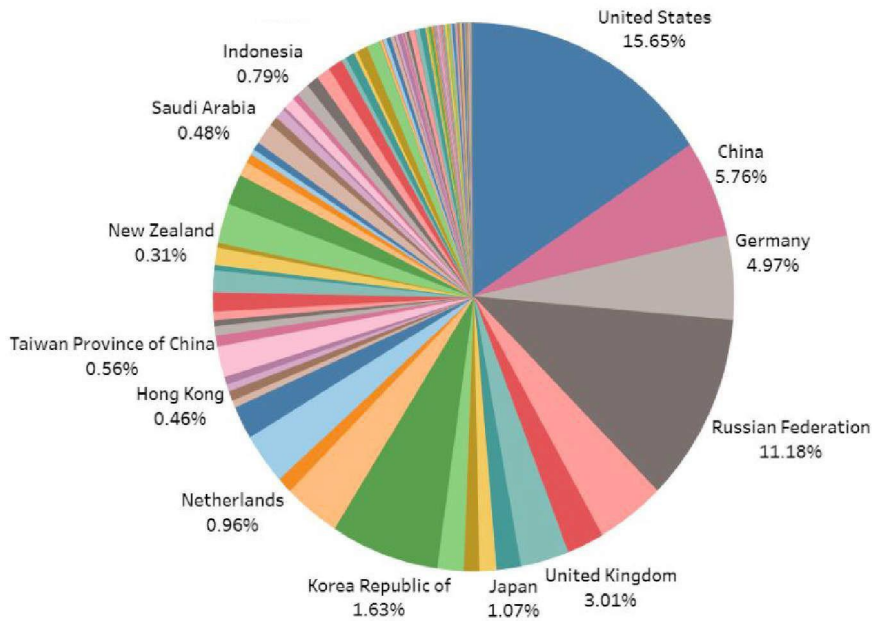


# Holiday Sale 2019 Recap - Revenue by Country

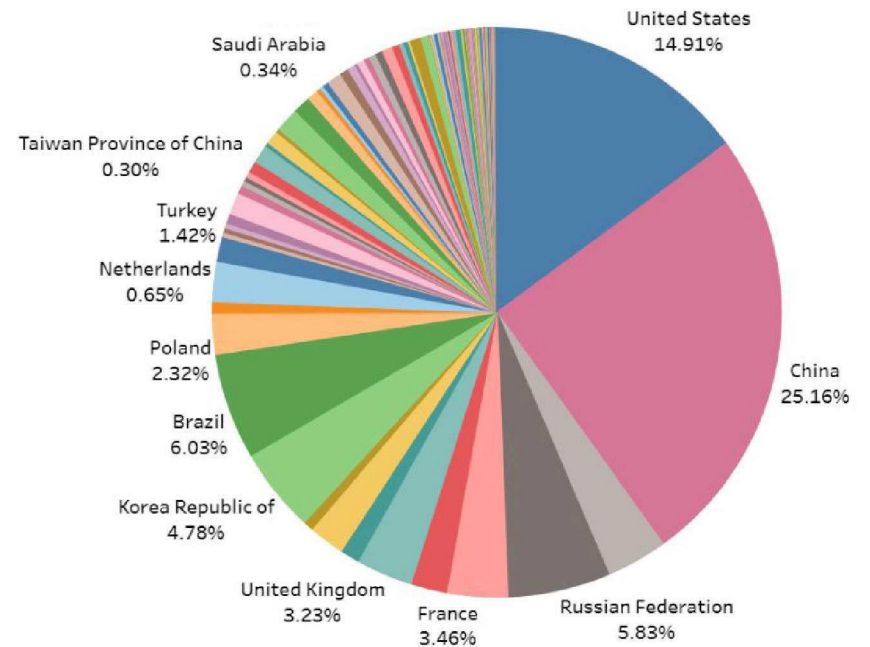


# Holiday Sale 2019 Recap - Free Players By Country

EGS Free 12/6/18-12/18/19



EGS Free During 12 Days of Free Games



## 2019 Review - 12 Days of Free Games

Date	Free Game	Entitlements	% of New Users of Entitlements	New USER EGS (new account or first use)	All EGS New Users	% of ALL New Users/Day
12/19	Into The Breach	1,470,000	5.07%	74,535	87,630	85.06%
12/20	Towerfall	746,000	4.21%	31,381	173,412	18.10%
12/21	Superhot	1,860,000	4.89%	90,953	142,294	63.92%
12/22	Little Inferno	1,531,000	1.83%	27,943	138,484	20.18%
12/23	Ape Out	1,600,000	2.04%	32,668	83,902	38.94%
12/24	Celeste	900,000	3.84%	34,531	107,296	32.18%
12/25	Totally Accurate Battle Simulator	2,200,000	5.76%	126,736	186,406	67.99%
12/26	FTL	1,700,000	1.27%	21,580	156,090	13.83%
12/27	Hyper Light Drifter	900,000	2.03%	18,281	86,730	21.08%
12/28	Shadow Tactics	1,961,000	6.75%	132,356	86,346	153.29%
12/29	Talos Principle	1,930,000	5.13%	98,972	111,876	88.47%
12/30	Hello Neighbor	1,800,000	2.33%	42,000	71,974	58.35%
12/31	Yooka Laylee & IL	1,800,000	2.68%	48,254	64,178	75.19%
<b>Totals</b>		<b>20,398,000</b>	<b>3.82%</b>	<b>780,190</b>	<b>1,496,618</b>	<b>52.13%</b>

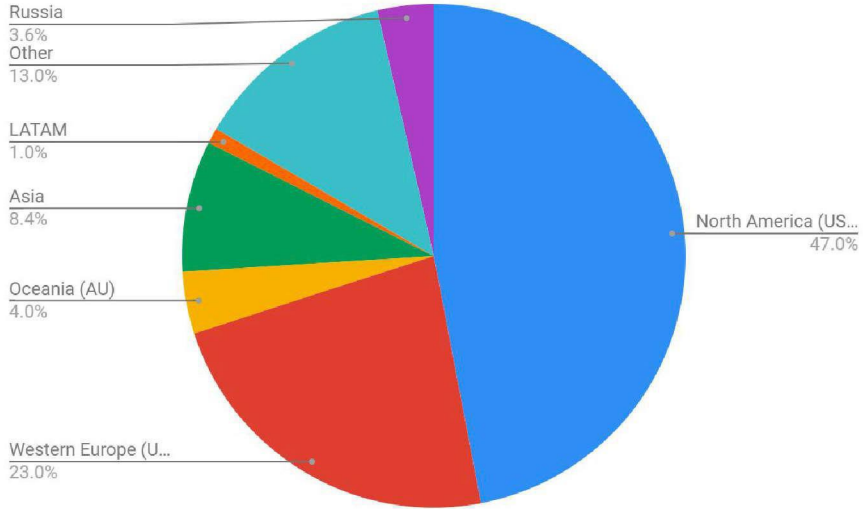
~780K/52% of new users from 12/19-1/1 @ 11AM - came from 12 Days of Free promo, UA cost  
 ~\$3.50/ new user



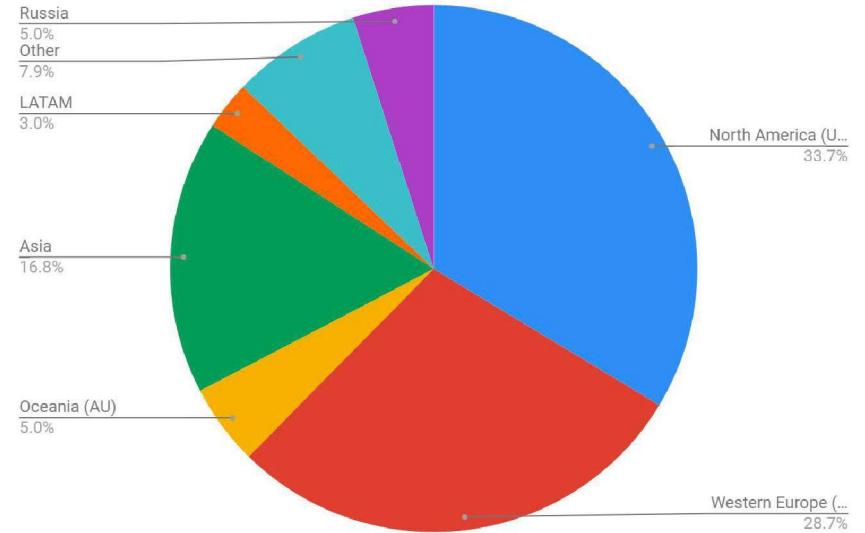
# 2019 Review - EGS Gross Revenue by Country

EGS is heavy in NA spenders & under indexes in Europe, Asia & Russia as compared to Steam

## Epic Games Store



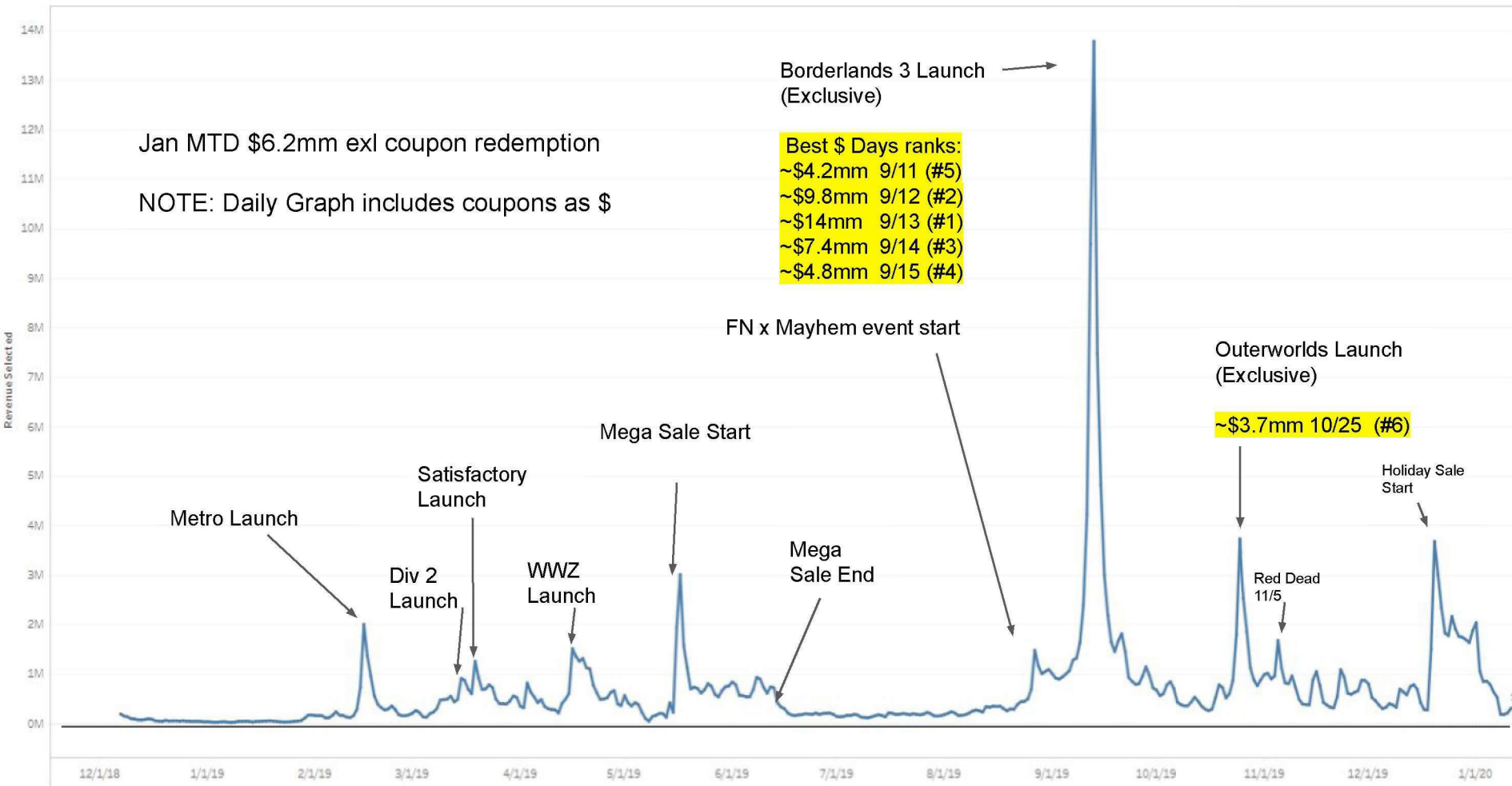
## Steam







# Epic Games store Daily Gross Revenue LTD (through 1/11)



# EGS Free Games LTD

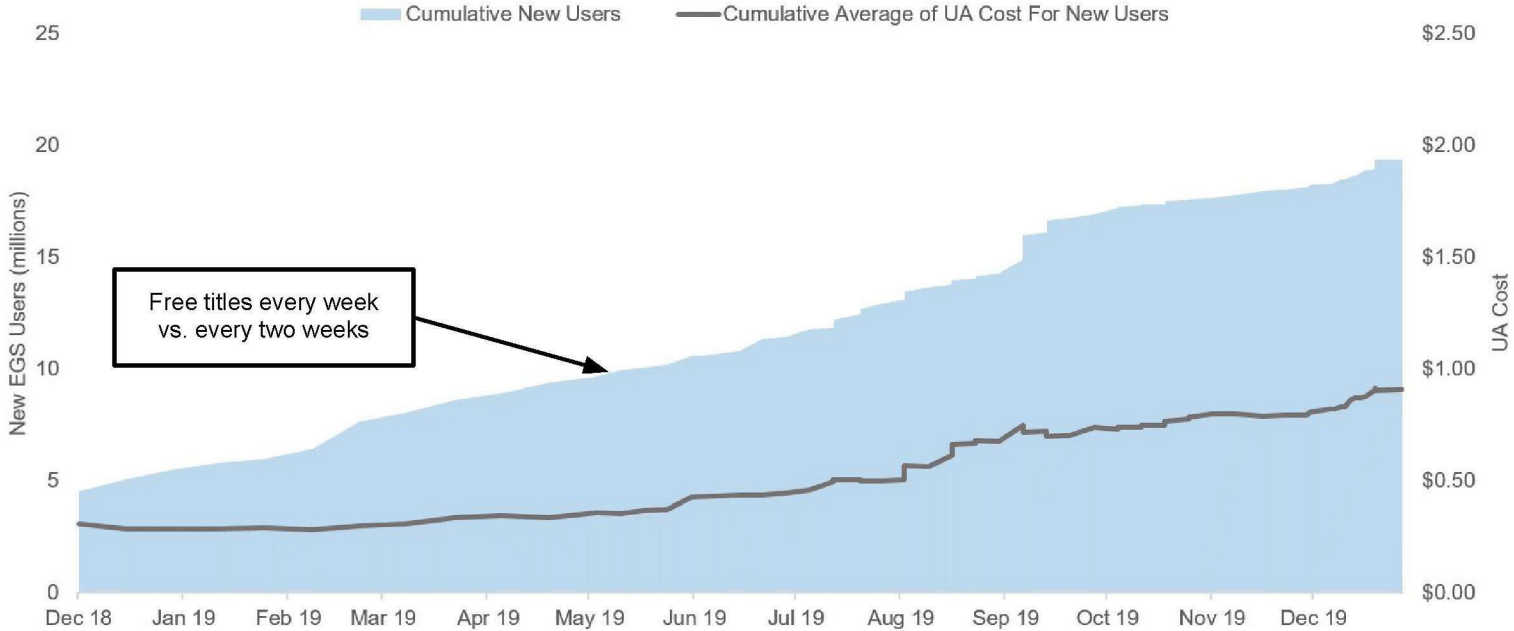
**~170mm entitlements & 19mm Unique New Users from Free Games Program LTD w/UA Cost of \$.80/New User  
(just New Epic Accounts is ~\$2.53/user)**

Two Types of New Users:

**~6mm/3.5% of Entitlements are brand New Epic Accounts**

**~13mm additional Unique New Users come from existing Epic Account holders whose 1st EGS action was via Free Game  
92% of 1st EGS action users w/Epic Account are lapsed FN players**

# EGS Free Games



**19.4mm New EGS Users @ UA Cost of \$0.91/New EGS User**  
**6.4mm New Epic Accounts @ UA Cost \$2.75/New Epic Account**

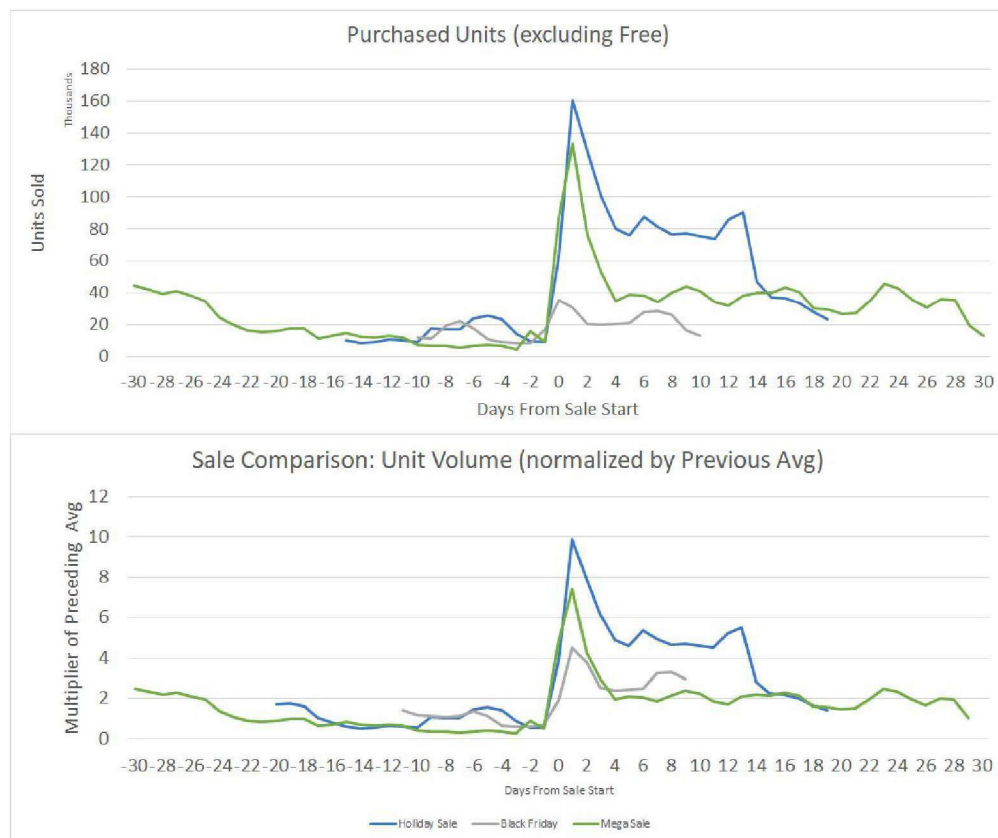


## Holiday Sale Deep Dive

Overall, The Epic Games Holiday Sale outperformed Mega Sale despite being 10 days shorter.:

- **34.7M** Transactions (including Free)
  - Mega Sale: **15.5M**
  - **124%** increase in units sold (all)
- **1.5M** Paid Transactions
  - Mega Sale: **1.3M**
  - **15%** increase in paid transactions
- **\$21.5M** post-discount Revenue
  - Mega Sale: **15.5M**
  - **39%** increase in post-discount revenue
- **1.6M** New Users
  - Mega Sale: **2.8M**
  - **43%** decrease
    - Mega Sale co-occurred with
      - Dauntless (5/21)
      - EGS launch in China (5/12)
  - **23%** increase in new users excluding China and Dauntless (1.25M)
- **780k** New Users from Free Games Program
- **449k** Free users were converted to paid
  - Mega Sale: **363k**
  - **24%** increase over Mega Sale

# Holiday Sale Performance



# Holiday Sale: 12 Days of Free Games

- 6.5M Users acquired a game from the program
- 75% acquired 7 or fewer of the available titles
- Largest Conversion Event from Free to Paid

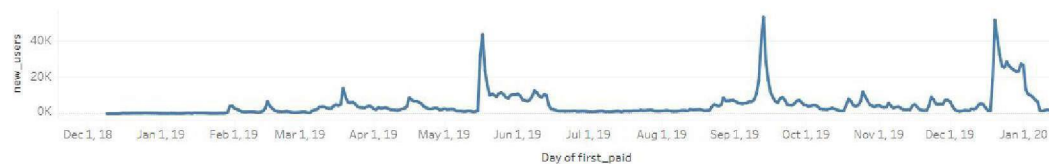
## Top 10 Free Titles By New Users:

1.	Darksiders II	193,212
2.	TABS	127,262
3.	Steep	125,525
4.	SUPERHOT	91,215
5.	Dauntless	83,672
6.	Celeste	74,622
7.	Into The Breach	74,555
8.	Hello Neighbor	70,368
9.	Shadow Tactics	66,183
10.	The Cycle	50,286

% Accounts By Free Games Acquired

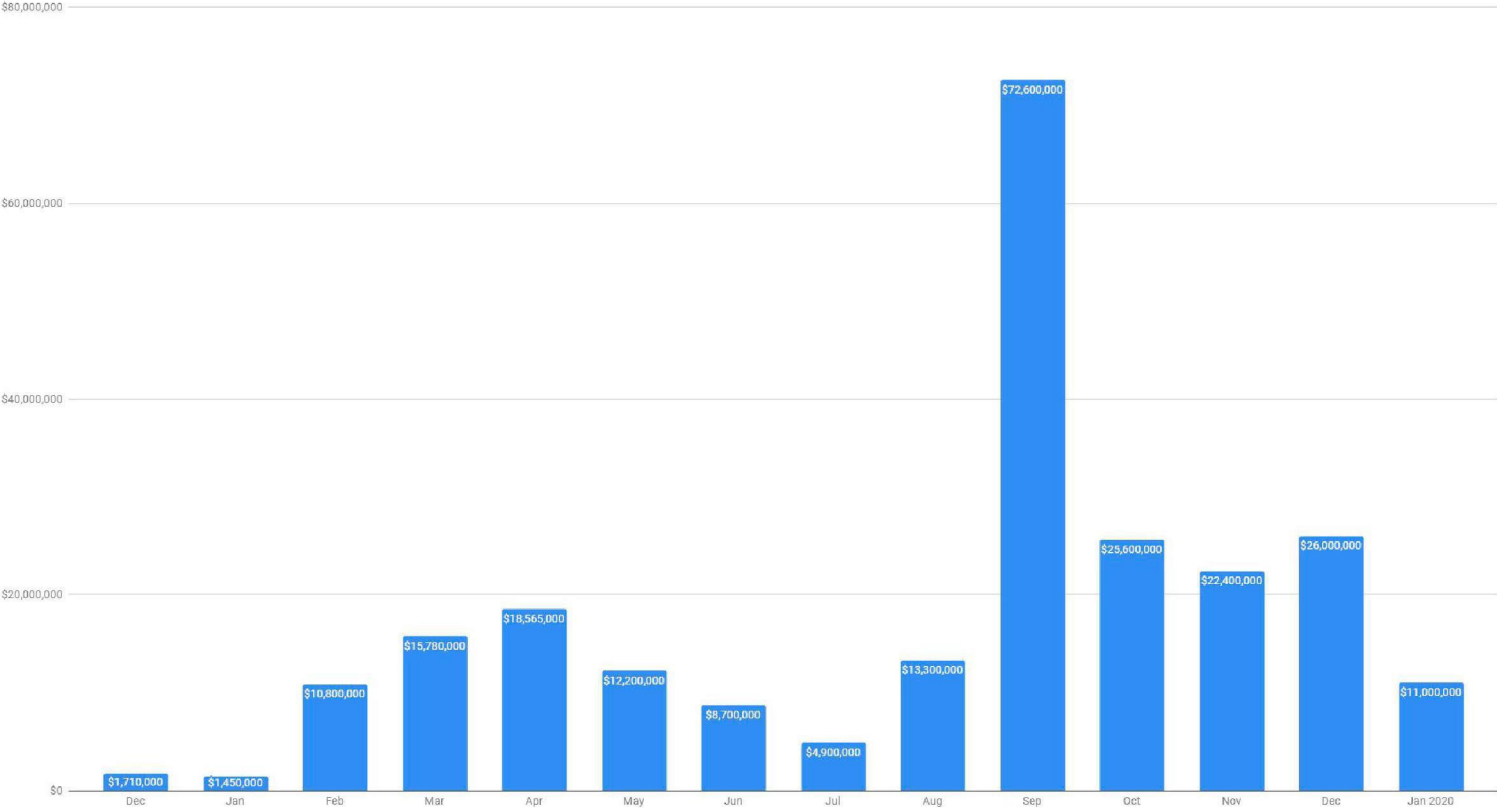


First Paid - Free Users



# EGS Gross Revenue

EGs Gross Revenue By Month LTD





# S-A-C Store Performance (Journey to the Savage Planet)

- Direct Creator outreach appears to be 136x more cost efficient vs. traditional paid (eCPM)
  - a. ~\$93,500.00 (value)
  - b. ~\$686 (outreach payout)
    - i. 1.1M Views
- S-A-C program appears to be ~60X more cost efficient vs. “traditional” influencer marketing costs
  - c. ~\$373,500 (value)
  - d. ~\$5912.47 (payout)
    - i. 4.8M Views
- Creator Sales Generated: ~\$75,000.00
- Outreach Sales Generated: \$13,735.42
- Total Payout: \$5912.47 (January ‘20)

# EGS Policy, Practice & Philosophy Check In

## Revenue Share

### **Epic Games Store**

Games/MTX/DLC - ALL: 88/12

### **Steam**

Games/MTX/DLC - per title:

- 70/30 for revenue between \$0-10 million
- 75/25 for revenue between \$10-50 million
- 80/20 for all revenue above \$50 million

## Payments - In Game Transactions (DLC/MTX)

### **Epic Games Store**

- Optional Use of EGS payment platform @ 88/12
- Partners can opt to bring their own payment solution for in game transactions with 0% to Epic
- Partners can present EGS payments as an option for in game transactions (@ 88/12) if they so choose

### **Steam**

- Publishers **must use** the Steam payments platform for in game transactions (DLC/MTX) - rev share falls under the splits detailed on the previous slide based on total title revenue

## Payment Processor Fees

### **Epic Games Store**

- Covers up to 6% of payment processor fees regardless of method. Amounts above 6% are passed on to the purchaser at time of transaction

### **Steam**

- No consistent policy declared, but Steam covers majority of all processors fees WW  
  - NOTE: they do pass some of the fees on consumers in Russia and Brazil when extremely high. Their criteria/threshold here is hard to determine.

## Payment Methods Supported

### **Epic Games Store**

- Supports 54 number of payment methods
- Supports 10 currencies
- Supports over 200 countries divided into 39 regions

### **Steam**

- Supports xx number of payment methods (exact # is unknown but it is more than EGS, working on assessing total # w/ECOM and Sergey)
- Supports 40 currencies
- Supports over 100 countries divided into 41 regions
- Supports pre-paid cards
- Supports gifting
- Supports native wallet on platform

## Pricing policy

### **Epic Games Store**

- Partners set their base prices by region of which they are paid 88% after taxes
  - The final retail price is set by the Epic Game Store team after partner review
- Regional prices are optional
- Epic Games matches prices with Steam if our prices are higher. We do not seek approval from partners to do so.

### **Steam**

- Policy is not defined, de facto partners set their retail prices by region and Steam approves them
- Regional prices are optional
- Price matching is required for Steam keys, no policy on other stores yet

Refund Policy - Epic Games Store & Steam use essentially the same time based policy

### **Epic Games Store**

- Eligible for refund up to 2 weeks & 2 hours played for full game
  - MTX/DLC is 14 days from purchase - MTX/DLC that is “consumed” is excluded
- Refunds are “manual” & administered through Player Support ticketing

### **Steam**

- Eligible for refund up to 2 weeks & 2 hours played for full game, DLC or MTX
  - MTX/DLC that is “consumed” excluded
- Refunds are “manual” & administered through Player Support ticketing



Chargeback policy

**Epic Games Store**

- Epic Games covers chargeback fees, partners do not earn anything from charged back sales

**Steam**

- Steam covers chargeback fees, partners do not earn anything from charged back sales

Regional support policy

### **Epic Games Store**

- English is mandatory (so we can review content), all other languages are optional

### **Steam**

- All languages are optional

## Age ratings policy

### **Epic Games Store**

- Ratings are not required to launch a game
  - Unrated games may not be allowed to release in certain regions (e.g. South Korea)
  - We will provide access to the IARC ratings service optionally to partners who want to more easily acquire global ratings for their games
- Age gate is set based on ratings or at the discretion of Epic Games if no age rating provided
- In Korea we always set an age gate if no rating is provided

### **Steam**

- Ratings are not required to launch a game
- Age gate is set at the discretion of a partner
- No special policy for Korea or other countries

## Reviews policy

### **Epic Games Store**

- OpenCritic ratings are displayed by default, partners can opt-out of them

### **Steam**

- MetaCritic ratings are displayed by default, no opt-out
- User reviews are displayed by default, no opt-out

## Support-A-Creator

### **Epic Games Store**

- Epic Games will pay 5% of all attributable sales to Creators. Partners can raise this number from their 88% share
- Epic Games reserves the right to increase the revenue share for promotional purposes but will cover it from its share
- Developers can't contact Creators directly, Epic Games does it on their behalf

### **Steam**

- Developers can contact Curators via Steam and offer them access to their games
- This is limited by the number of Curator keys they can generate

3rd party Personal identifying information policy

### **Epic Games Store**

- WIP, varies by region and state

### **Steam**

- Developers have no access to PII of their customers.

## Content Policy

### Epic Games Store

- **No porn, hate games, asset flips or malicious software**
  - We intend to always reserve the right to subjectively remove any content from the Epic Games Store, and communicate this publicly
- **Intend to open up to all games subject to bullet #1 above when automation exists**
  - Intend to require games be configured correctly, match the description provided on the store page, and adhere to our content policy (bullet 1 above)
  - Intend to always curate the Epic Games Store front page, categories and lists, but everything in ecosystem can be searched & found
  - TBD: Presentation on “ Dev Hosted Product Pages - Powered by Epic Games Store” to be set up soon
- **Intend to require (not “encourage”) unrated games with mature content to provide accurate descriptions of their mature content. Failure to do so could trigger us to remove the game until resolved**

### Steam

- **Steam Greenlight was replaced by Steam Direct automation in 2017 which allows anyone to publish on Steam by paying \$100 and submitting a form**
  - First time devs/publishers must wait 30 days to launch on Steam w/first game
  - Valve requires titles to be configured correctly, match the description provided on the store page, and don't contain malicious content
  - An average of 700 titles/month were released on Steam in 2019
- **Valve has stated they will allow anything onto the Steam Store, except for things they decide are “illegal, or straight up trolling”**
  - Valve has stated they will review all controversial titles submitted but the policy and the enforcement is very opaque
- **Developers of mature content are “encouraged” but not required to provide accurate descriptions of the categories of mature content in their games (e.g. sexual content, nudity, graphic violence)**

## Discounting Policy

### **Epic Games Store**

- Other than complying with regional laws in Europe and California\* we have no specific policy just process based on current constraints. We work collaboratively on setting discounts with partners based on our key beats (Mega Sale, Holiday Sale) and their marketing plans. Process is manual & managed by EGS marketing and biz team.

\*A price has to be established for the majority of a 90-days period / An item can't be discounted longer that it was not discounted

### **Steam**

- Steam has automation tools for their key beats (Summer Sale, Autumn Sale, Winter Sale etc..) whereby Publishers are invited to input their suggested/approved discounts in advance of each sale event.
- Automation tools exist for any publisher on Steam to put their title on “self sale” and set discounts for up to a week. There is an 8 week cool down period required between “self sale” actions on the same title.
- Weekend & Mid Week Specials & Publisher Sale events are typically done by Steam account managers inviting or interacting with key partners outside the automation tools available.



## Free Games

### **Epic Games Store**

- Games in our Free Games program are “owned” via entitlements like any other purchase theirs to keep forever
- Doesn't have Trial Weekend support built into our framework (executing one is very manual)

### **Steam**

- Steam Free Weekend are temporary akin to a timed demo promotional beats paired with a discount on purchase
- Steam has no formal Free Game programs beyond Steam Free Weekends

## DRM

### **Epic Games Store**

- Doesn't require DRM
  - Actively in development of SteamGuard like "Anti Piracy" options for partners to enable optionally on release
  - Allows use of third party DRM in addition to what is provided

### **Steam**

- Steam client DRM is required for the majority (98%+) of Steam releases that run in the Steam client (aka SteamGuard)
- Allows the use of third party DRM in addition to what is provided

## Cross Store PC Play

### **Epic Games Store**

- Titles with multiplayer that ship on multiple PC stores or come to EGS after launching on other PC stores are required to support cross-store PC play
- Titles with multiplayer that come to Epic Games Store first (typically exclusives) are strongly encouraged to but not required to support cross store PC play.

### **Steam**

- No requirements

## Product Keys & Reselling

### **Epic Games Store**

- Actively moving toward multiple keyless store integrations (Humble, GOG Galaxy 2.0, Greenman, Genba & Fanatical) to eliminate key generation, manual distribution and minimize grey market this creates
- On request will provide keys to partners to sell on 3rd Party sites
  - Rev share is between publisher and third party site,
  - Content is redeemed in Epic launcher
  - Key quantity is managed
  - Keys redeemed count toward MGs on exclusives

### **Steam**

- Valve changed policy in 2017 from previously open & unlimited to reserve the right to restrict amount of keys generated by publishers subjectively
  - Still is very generous and not restrictive in practice
- On request will provide keys to partners to sell on 3rd Party sites
  - Rev share is between publisher and third party site, no rev share to Steam
  - Content is redeemed in Steam launcher

# Third Party Publishing

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**Remedy - v1 long form with Remedy; awaiting comments. Video team scheduled to film 3 March in Espoo, Finland. Mindful of comments on this partnership in the future as they are a public company.**

**Playdead - v1 long form with Playdead; awaiting comments. Video team scheduled to film 5 March in Copenhagen, Denmark.**

**genDESIGN - v1 long form redlines provided to Epic. Legal + BD to respond (2/24). Scheduling travel for video crew.**

**Eyes Out - awaiting v1 long form from Legal**

**Cubit Studios - red lines received from dev on term sheet; will begin work on v1 longform. Working on teaser trailer to have ready at announce**

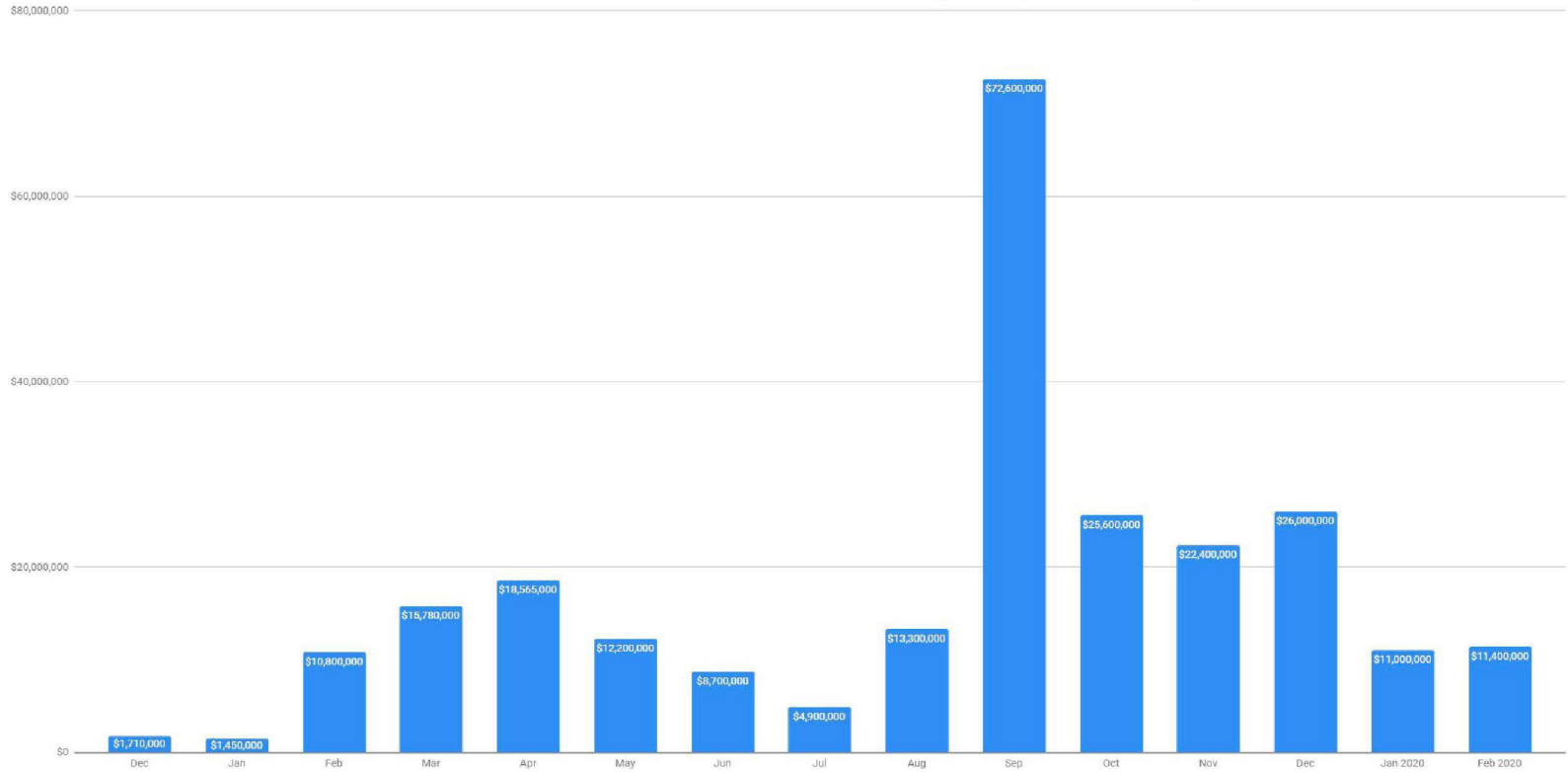
**Upcoming discussions: Drifter (Prototype - Superior), Heart Machine (Hyper Light Breakers)**

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# EGS Gross Revenue by Month

EGs Gross Revenue By Month LTD

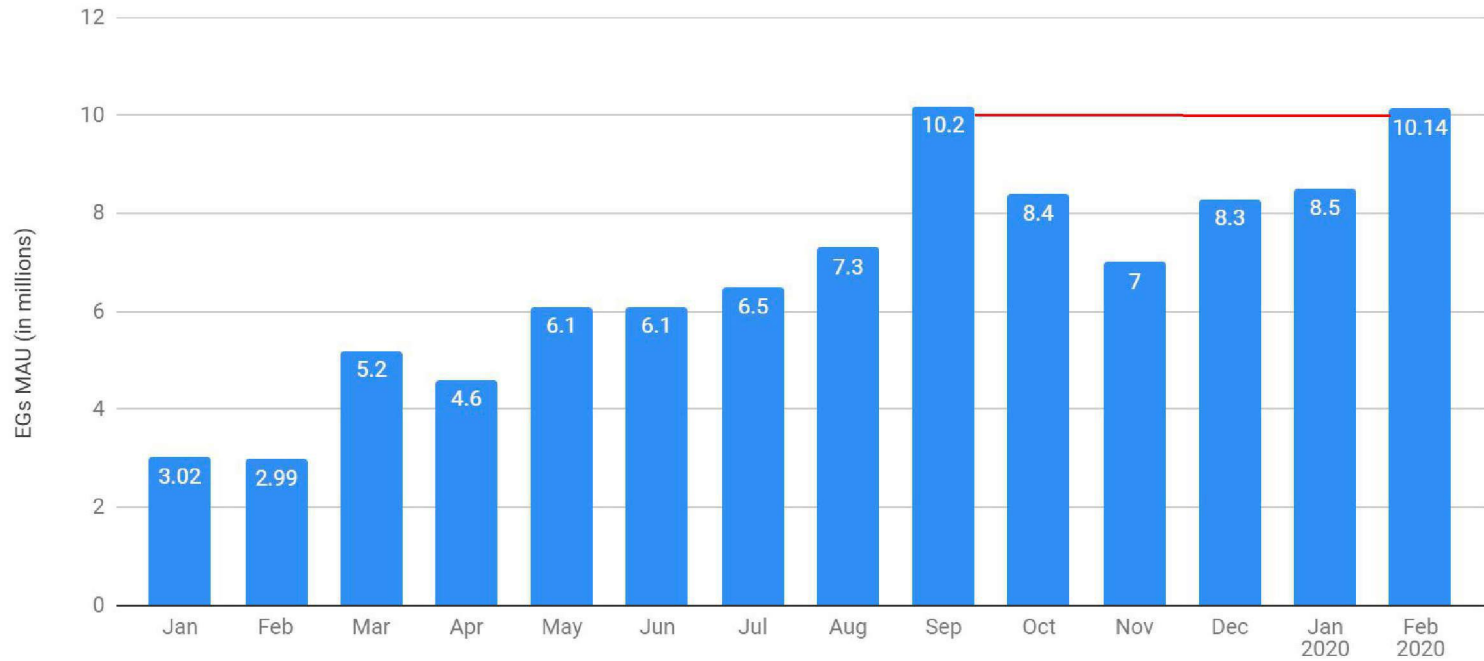
Feb '20 Gross ~\$11.4mm excluding coupon redemption



# EGS MAU LTD

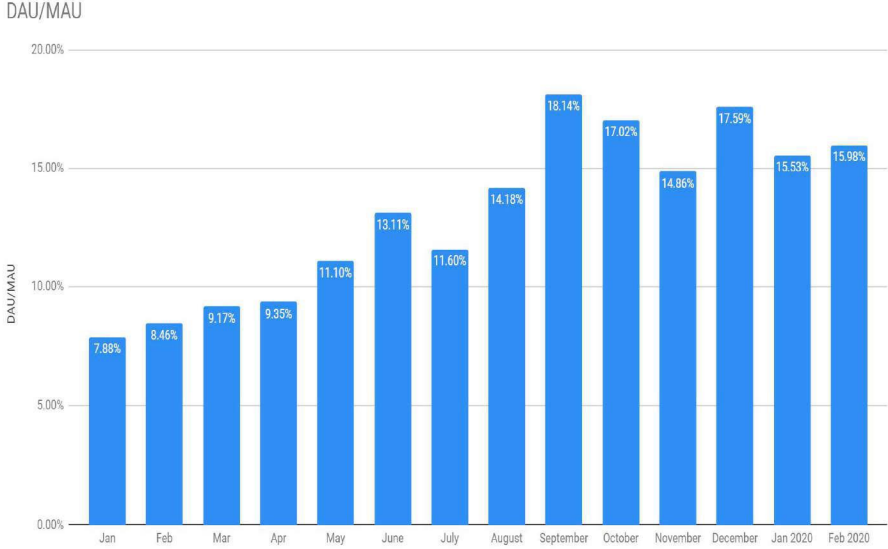
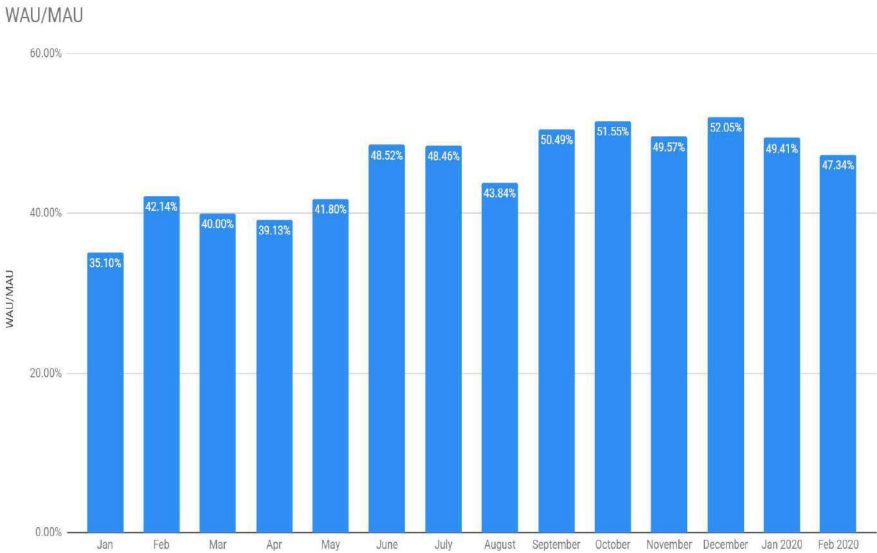
Feb '20 MAU +19% v Jan '20

EGs MAU (in millions)



# WAU/MAU & DAU/MAU LTD

Feb '20: DAU +23%, WAU +14%, MAU +19%





# EGS Table of Things

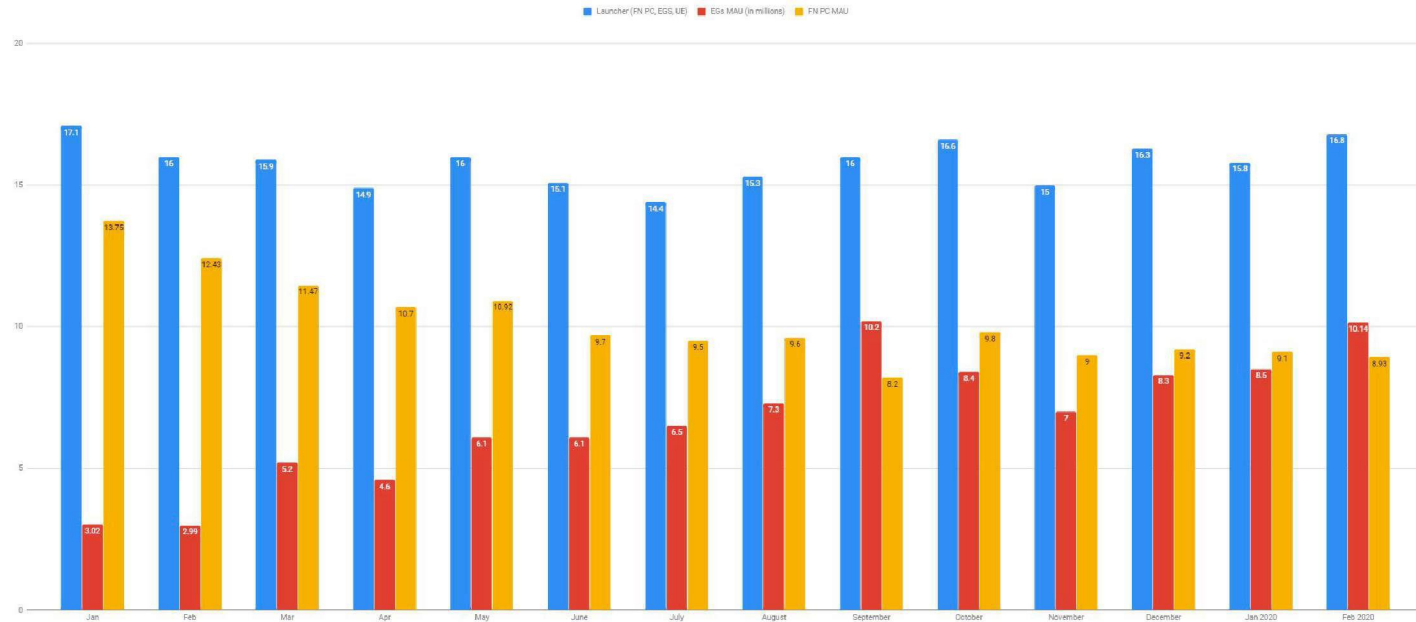
EGs Only	Gross \$ (in Millions)	ARPPU	ARPMAU	EGs MAU (in millions)	WAU/MAU	EGs DAU (avg in millions)	DAU/MAU
Jan	\$1.40	\$21.56	\$0.46	3.02	35.10%	0.24	7.88%
Feb	\$10.80	\$42.90	\$3.61	2.99	42.14%	0.25	8.46%
Mar	\$15.78	\$30.98	\$3.03	5.2	40.00%	0.48	9.17%
Apr	\$18.57	\$27.05	\$4.04	4.6	39.13%	0.43	9.35%
May	\$12.20	\$20.33	\$2.00	6.1	41.80%	0.68	11.10%
June	\$8.70	\$13.43	\$1.43	6.1	48.52%	0.80	13.11%
July	\$4.90	\$8.10	\$0.75	6.5	48.46%	0.75	11.60%
August	\$13.30	\$18.66	\$1.82	7.3	43.84%	1.04	14.18%
September	\$72.60	\$42.74	\$7.12	10.2	50.49%	1.85	18.14%
October	\$25.60	\$37.93	\$3.05	8.4	51.55%	1.43	17.02%
November	\$22.40	\$43.76	\$3.20	7	49.57%	1.04	14.86%
December	\$26.00	\$31.64	\$3.13	8.3	52.05%	1.46	17.59%
Jan 2020	\$11.00	\$28.70	\$1.29	8.5	49.41%	1.32	15.53%
Feb 2020	\$11.40	\$19.72	\$1.12	10.14	47.34%	1.62	15.98%

# February Free Games

Feb Free Games				
<u>Title</u>	<u>Buy Out Cost</u>	<u>Entitlements</u>	<u>First EGS Actions/Total New EGS Users</u>	<u>Cost/New User</u>
Farming Sim '19	\$1,250,000	4,700,000	1,062,610	\$1.18
Asmodee Pack	\$400,000	2,500,000	182,538	\$2.19
Kingdom Come Deliverance	\$1,500,000	4,400,000	535,314	\$2.80
Assassin's Creed Syndicate	\$100,000	5,200,000	785,845	\$0.13
Totals	\$3,250,000	16,800,000	2,566,307	\$1.27

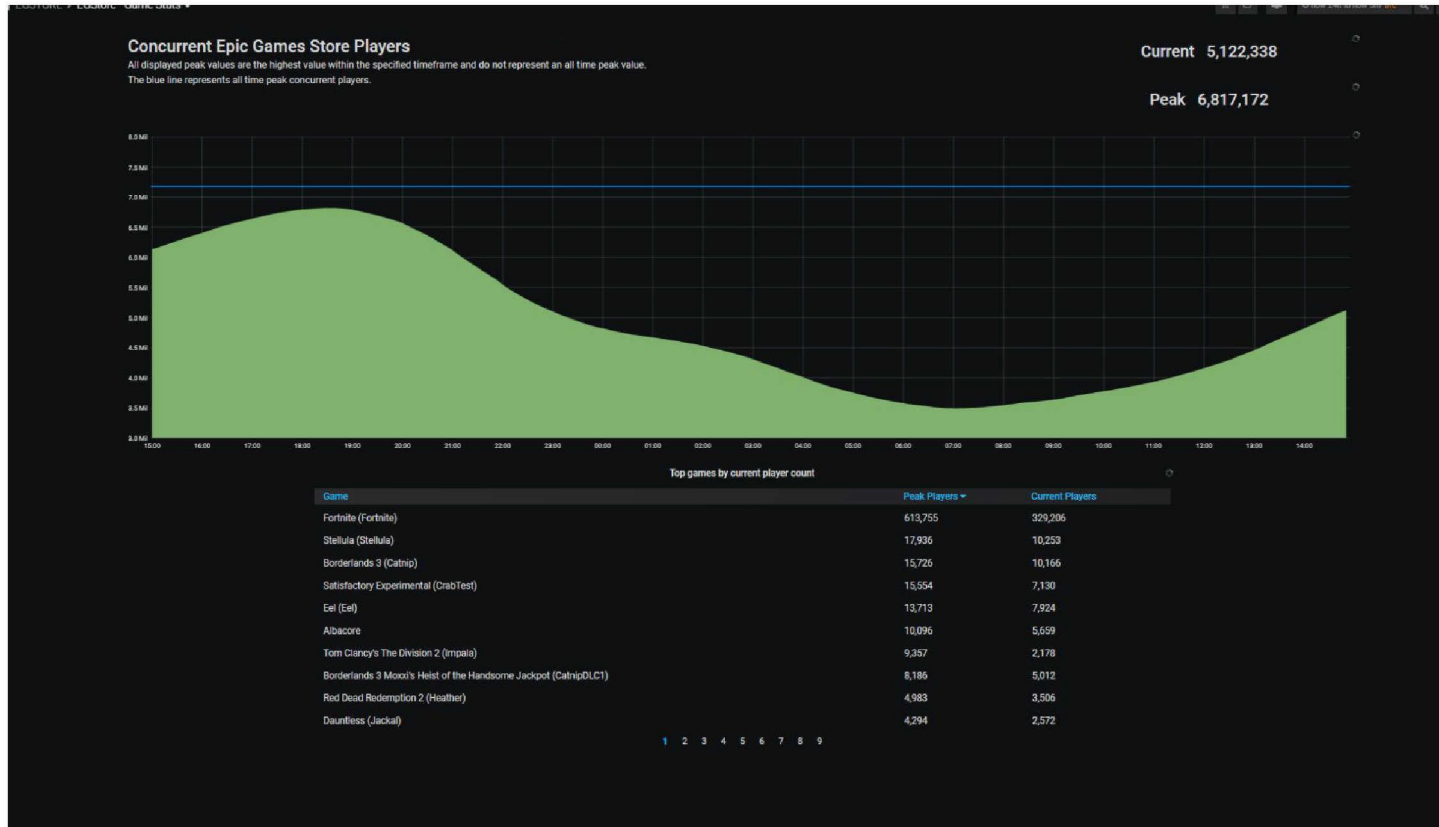
# MAUs - Launcher, FN & EGS

Launcher (FN PC, EGS, UE), EGS MAU (in millions) and FN PC MAU



- Launcher +1mm MAU, FN PC MAU is holding @MAU levels seen over past 5 months
- Feb '20 EGS MAU is up +~19% v Jan '20 & less than 1% off prev all time high of 10.2mm (Sept '19)
  - This is due to continued strong engagement on BL3, Red Dead, WWZ & Satisfactory + tentpole Free Games of Feb.

# Launcher PC CCU - approaching record concurrent CCU, includes FN and EGS



# Wishlists: first 5 days

**263K** items on wishlists

**18K** purchases (most not paid e.g. FN)

## Top countries:

USA, Russia, Germany, China, Brazil, France,  
Poland, UK, Canada, Italy, Turkey, Estonia, Ukraine

## Regional differences:

USA, Germany, UK: Satisfactory

China: Borderlands 3

Russia, Ukraine: Red Dead Redemption 2

Brazil, Turkey, France, India, Poland, Italy, Estonia:

Watch Dogs

## Top games:

1. Watch Dogs (EGS Free Game this week)
2. Satisfactory
3. Red Dead Redemption 2
4. Borderlands 3
5. Death Stranding
6. Cyberpunk 2077
7. Detroit
8. Control
9. Journey to the Savage Planet
10. The Stanley Parable (EGS Free Game this week)

## Dev Updates 4.13.20

### Major Updates:

- EGS Trello updated to reflect the latest
- Mobile team moving to House Party after they wrap up Mobile SDK work
  - Moving 4.13.20
  - This puts OEM, sdk, and authenticator work on hold
    - Will wrap up OnePlus since it's a signed contract
    - SDK work, we are looking for alternate dev resources internally to continue this work
- +50 EPAM team augmentation to kick off developer experience / self publishing tools work, ramping up over the next 4-6 weeks
- Rolling out 5 new local currencies early next month (CAD, AUD, NOK, DDK, SEK)
  - Canadian, Australian, Norway, Denmark, Sweden
- Support a Creator Payout through Hyperwallet automation shipping in the next two weeks
- Direct Carrier Billing rolling out next two weeks

### Net New:

- **Lick'd Integration for FN Concert**
  - This would delay developer experience tools since we don't have alternate resources available

### Mega Sale:

- Scalability Update for check out flow for check out system in order to support Mega Sale
- Global Download throttling - likely a conversation point during EOS meeting - thoughts?
  - From EGS side, we've been in contact with Akamai to prepare for scale
- [FN Roadmap](#)

## Dev Updates 4.13.20

### Risks:

- We are outpacing new products, features, systems to the number of owners that we have available
  - No breathing room (for tech debt, bug fixing, regular workflows, maintenance, completion of tasks)
- Morale is shaky (due to pivots, randomization, work/life balance, adjusting to a different pace, onboarding contractors )
- Onboarding ~50 people for EPAM to work on Developer Experience on top of Instrument team for Consumer Experience

### Ready for Review:

- We will walk through Mod Marketplace with you guys next week

# Events Overview by Week

FN - Travis Scott  
Concert (4/21)

**April 20**

EGS - Killing Floor  
(5/7)

**May 4**

EGS - BL2 + Test Flight  
5/28)

**May 18**

EGS - Civ6 + Test Flight  
6/4

FN - Season 13  
(6/4)

**June 1**



**April 27**

FN - Party Island  
(4/28)

**May 11**

EGS - GTA + Test Flight  
Starts (5/14)

**May 25**

FN - Season 12 Finale  
(5/26)

EGS - Ark + Test Flight  
(5/21)



# Publishing Tools: Scope Changes

- MVP: Publisher Banning [OUT]
- Phase 1: Custom Price Tiers [OUT]
- Phase 2: Developer Payout [OUT]
- IARC [In Discussion]

## Next Major Updates

- Late-August Phase 1 Demo
- Early September Phase 1 Release

# Should we require a deposit to publish on the Store?

- Why?
  - A monetary requirement for a new publisher effectively deters malicious attacks and spam via new account creation
  - The lack of a deposit to deter spam for support of creator has lead to a heavy human and monetary cost
- Precedence
  - Steam charges \$100
  - Google requires a \$100 deposit and refunds that deposit later

# What languages should publishing tools support?

- Priority Order: English, Russian, French, Chinese, Japanese, Korean
- Why?
  - There are a large number of Russian, French and Chinese speaking developers
  - We have a low number of Japanese and Korean speaking developers but want to actively increase our influence there
- What are we localizing?
  - All tooling, all documentation



# Risks

- Potential homeschooling and childcare issues
- Phase 2 Publishing Tools need to release no later than **October**, due to risk of disrupting holiday sales