



CCP 6 MONTH UPDATE

SEPTEMBER 2013



EVE
VALKYRIE™

EVE
DUST 514®

EVE®
ONLINE

WORLD OF
DARKNESS™



DISCLAIMER FOR INVESTOR PRESENTATION

This presentation contains forward-looking statements, including statements regarding CCP's products, growth plans, capital expenditures, and expected financial performance. Such statements may be identified by the use of forward-looking terminology such as "anticipates," "expects," "forecasts," "intends," "plans," "believes," "seeks," "would," "could," "should," "estimates," and variations of these words and similar expressions. Such statements reflect various assumptions by CCP's management concerning anticipated results, which assumptions may or may not be correct. Although we believe our assumptions and expectations are reasonable at this time, our actual results may differ materially, and no representations are made as to the accuracy of such forward-looking statements or estimates. Factors that might cause our actual results to differ materially from our expectations include unexpected changes in currency regulation, the securities markets, product delivery schedules, or in general economic conditions.

Please refer to our NASDAQ OMX (Nordic) filings for a more detailed description of risk factors that may affect our business and our results. Finally, please note that certain financial measures that we use in this presentation are not necessarily in accordance with IFRS or GAAP standards.



CCP AT A GLANCE

- » **Leading independent developer of massively multiplayer games**
 - » Founded 1997 in Iceland
 - » 550 employees world wide
 - » 2 games in live operations, 2 in development
- » **Critically acclaimed industry leading multi-product EVE Universe**
 - » \$36.7mm (ISK 4.4b) revenues in H1 2013
 - » Franchise revenue exceeding \$400mm
 - » 3rd game *EVE: Valkyrie* set to join the Universe in 2014
- » **Unique Technology and Platform Advantage: CARBON**
 - » Largest single-shard virtual universe with Peak Concurrent User Record of 68,753
 - » CARBON REST (CREST) enables easy access from multiple product experiences and platforms.
 - » World's leading character creation system
- » **18 Month Mission**
 - » Maintain focus on growth for *EVE Online* and *DUST 514*
 - » *EVE: Valkyrie* launch in 2014
 - » Increase platform expansion
- » **Strategic Roadmap**
 - » Continue to solidify EVE Universe strategy with multiple products adding value to and gaining value from each other
 - » Establish *World of Darkness* as the Company's second thriving Universe, leveraging tech and knowhow built over decades





COMPANY HISTORY

>> 1997 – 1999

Age of Innocence

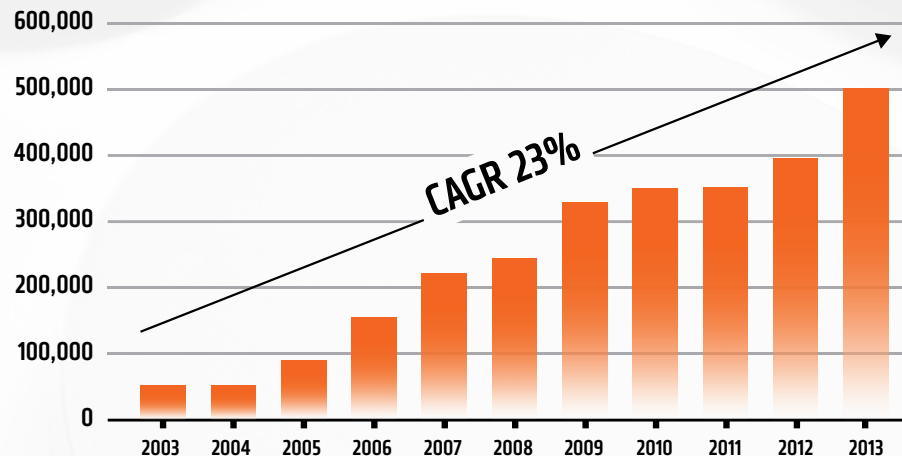
Get key people; first board game, raised money (April 2000)

>> 2000 – 2003

The Making of *EVE Online*

Developed and released to public (May 2003); CCP quickly recognized as important player in the emerging MMO marketplace; profitable immediately after launch

A Decade of Consecutive Subscriber Growth



EVE China with new operating partner included beginning in 2013

>> 2004 – 2007

March to Critical Mass

200k subscribers; start-up excitement and success led to substantial revenues, profits and consistent growth

>> 2008 – 2011

Explosive Growth

Became a well-managed and acclaimed international Company; *EVE Online* profits reinvested in development of the Carbon platform, *DUST 514* and *World of Darkness*. *EVE* reaches 375,000 global subscribers

>> 2012 – 2015

Establishing a Universe

Through the Launch of *DUST 514*, *EVE: Valkyrie* and further platform expansion the vision for a multiproduct Universe is made real



EVE UNIVERSE

Beyond its current active user base, *EVE Online*, *DUST 514* and *EVE: Valkyrie* have touched over 10 million customers since May 2003

Awareness of the EVE Universe reaches core gamers on PC and console platforms to *EVE* followers and sci-fi fans across multiple media



Online video:

37 million video views of EVE Universe related content on CCP's youtube channel



Web:

Averaging 14 million monthly views across www.eve.com and its sub websites



EVE TV/Twitch:

Over 300k unique live viewers and 500k video plays for each of Fanfest 2013 and Alliance Tournament XI



Novels:

Over 150,000 *EVE* novels sold, with translations to German, Russian, Polish and Italian.



EVE: The Second Decade Collector's Edition

Celebrating the rich history of the EVE Universe with a treasure chest of physical and digital items including a 190 page hardcover history book, CD of the Icelandic Symphony Orchestra playing the music of *EVE*, and the first ever English translation of CCP's Haettuspil "Danger Game." Shipping in October 2013.



True Stories:

800 real stories from the first decade of the EVE Universe submitted to a crowd sourcing web site. CCP will use to produce various linear media, such as books, comic books and in collaboration in TV series.



EXECUTIVE TEAM



Hilmar Pétursson
CEO

smartVR
CTO

OZ
VP of Software Development



Reynir Harðarson
Founder & Creative Director

OZ
Design Director

Hvíta Húsið
Designer



Sean Decker
SVP of Product Development

EA
VP of Play4Free Group
VP/General Manger
DICE studio
Executive Producer

EA/Maxis
Sr Producer

Westwood
Sr Producer




Joe Gallo
CFO

Citigroup
Head of Mid Cap Banking

Head of Italy Investment Banking

Smith Barney
Managing Director, M&A




David Reid
CMO

Trion
SVP, Publishing

NCsoft
President, Publishing

Microsoft
Director, Xbox Marketing

McKinsey
Senior Associate



Halldór Fannar
CTO

EA, Maxis
Sr. Software Engineer

Lightspeed Games
CTO

Atari, Midway
Lead Programmer

OZ
Sr. Software Engineer




Jón Hörðdal Jónasson
COO

smartVR
CEO

Eskill
Director of Product Development

OZ
Quality Assurance



Sophie Froment
SVP of HR

EA
Senior Director, HR

Alstom
Senior Manager, HR

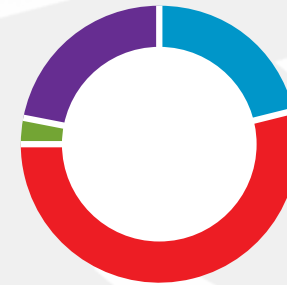
Valeo
Manager, HR

Coface
Specialist, Recruitment & Internal Mobility



CREATIVE EDUCATED COMMITTED WORKFORCE

- » Well educated and creative work force, with PhD's, Masters and art degrees
- » Exceptional attractor and retainer of global talent – 30 nations represented
- » Our employees have strong ties to local universities and the industry, also sharing their experiences as lecturers and presenting at industry academic conferences
- » Formalized success metrics and agile development processes maximize customer value creation
- » Continuous training and commitment to cutting edge technology
- » Focus on cross-collaboration between art, science, engineering, operations and marketing into a persistent corporate DNA



553 EMPLOYEES

CCP ASIA	118
CCP ICELAND	298
CCP UK	16
CCP USA	121





INDUSTRY OVERVIEW

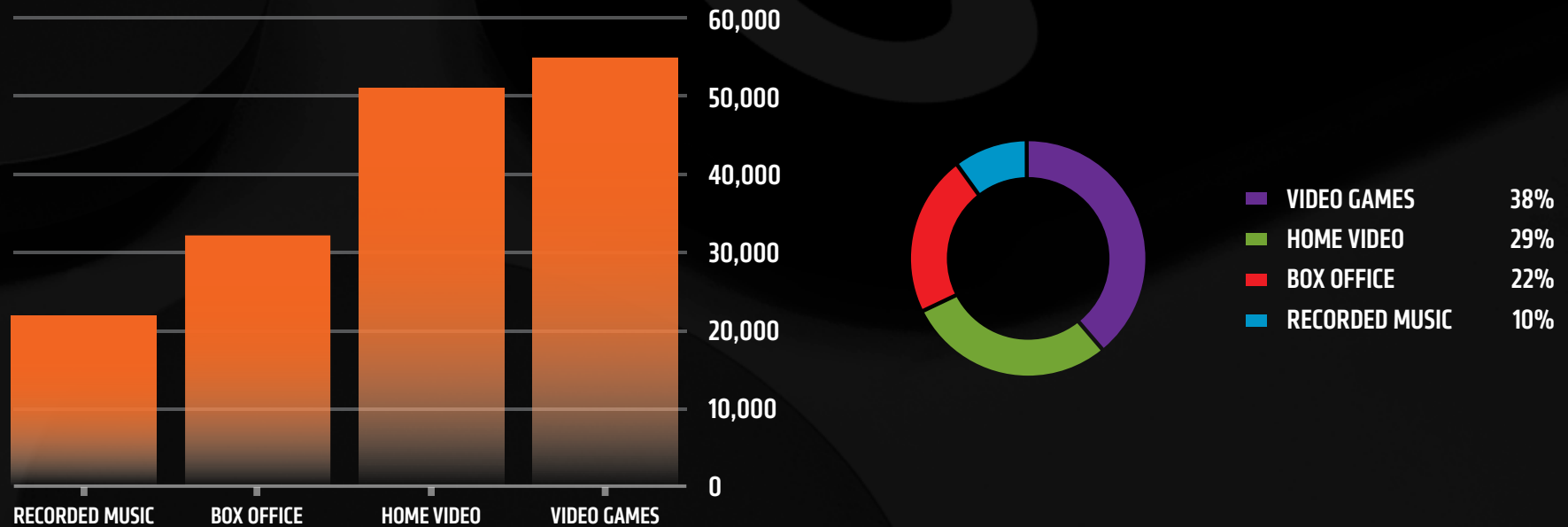


GLOBAL ENTERTAINMENT INDUSTRY

- » Revenue for video game category has surpassed the global movie and music businesses
- » Video game category specific revenues are above and beyond the rapid growth of adjacent categories of social and digital media

2010 (\$m)

\$ 216 billion in 2015



Source: PricewaterhouseCoopers



GAMES VS. MOVIES



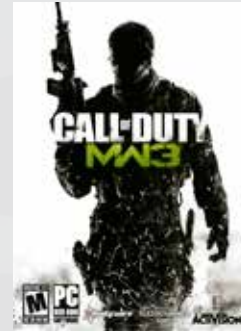
\$310M
First Day



\$310M
First Day



\$360M
First Day



\$400M
First Day



\$210M
First Day



\$800M
First Day

2008

2009

2010

2011

2012

2013



\$158M
Opening Weekend



\$143M
Opening Weekend



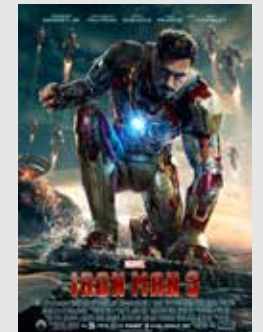
\$128M
Opening Weekend



\$169M
Opening Weekend



\$207M
Opening Weekend



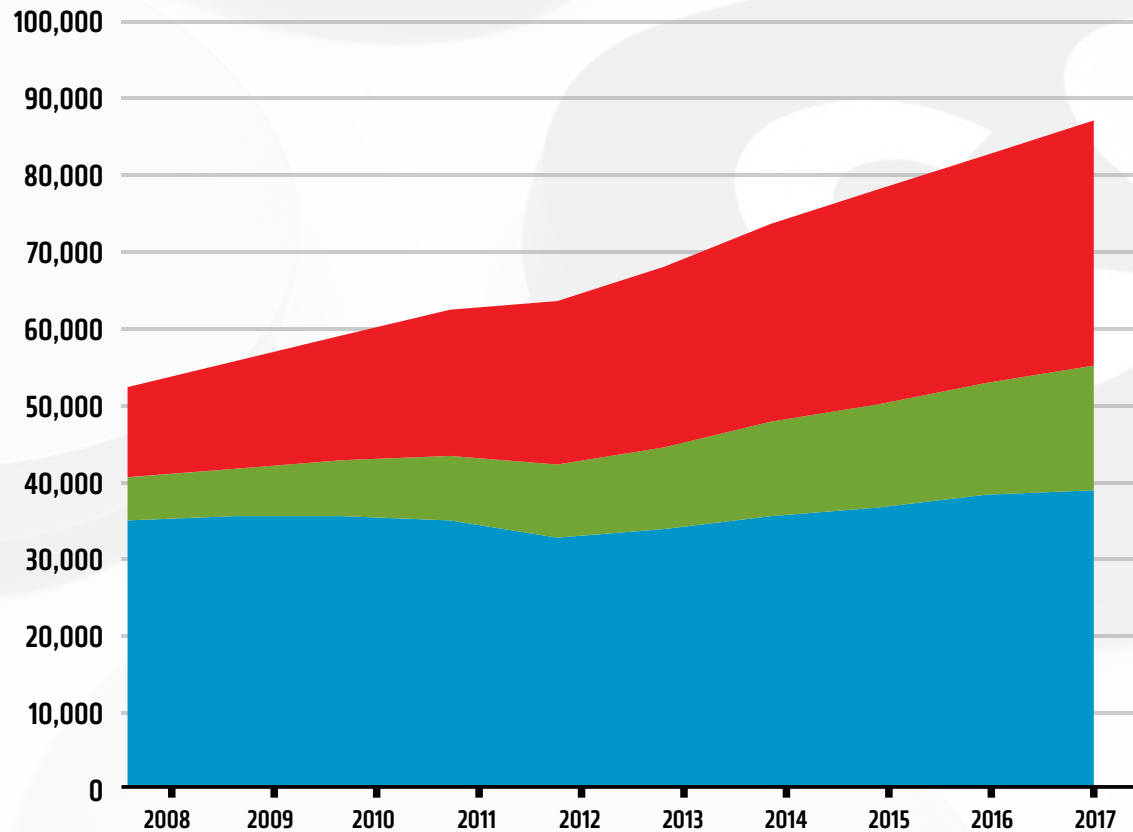
\$175M
Opening Weekend

Source: Company research from publicly available data



HIGHEST INDUSTRY GROWTH IS ONLINE GAMING

\$ Million



CAGR 2011 - 2017

ONLINE	9.0%
MOBILE	11.4%
OFFLINE	1.9%

Source: PwC – Global entertainment and media outlook 2013 – 2017

EVE® UNIVERSE

EVE
VALKYRIE™

EVE
ONLINE

EVE
DUST 514



EVE UNIVERSE: ORIGINS



A promotional image for EVE Online. The scene is set in space, with a large, detailed spaceship in the foreground on the left. In the background, a massive planet (Earth) is visible, with a bright blue horizon line. Several smaller ships are scattered across the scene, some with bright blue energy trails. The overall atmosphere is dark and futuristic.

EVE[®]
ONLINE

EVE[®]

ONLINE



- » *EVE Online* is CCP's flagship product, launched 6 May 2003 and grown its subscriber base every year since—unique among all MMOs
- » Winner of numerous industry awards: ranked #12 in PC Gamer's top 100 PC games of all time
- » Currently undergoing strategic expansion through multi-year roadmap introduced at EVE Fanfest 2013, where players will ultimately construct new stargates to expand the known EVE Universe for all products



THE BUSINESS OF EVE ONLINE

- » First product of *EVE Universe* and beginning of our multi-product strategy
- » Proven commercial and technological success: consistent revenue and user growth for a decade
- » Futuristic sci-fi genre, now with a decade of history and backstory – largely created by our loyal community
- » High levels of engagement, retention and profitability – social interaction deeper than other social media platforms
- » Historic in-game events such as Jita Burning, The Heist, and Battle of Asakai
- » Single sharded experience in which everyone plays together – unique social interaction and relationships
- » Massive in game “real” economy, with value of production equivalent to over \$40mm in 2012
- » Early innovator in virtual currencies: PLEX now used to pay for approximately 25% of EVE Online Subscriptions



Key Six Month Metrics:

- Average monthly unique logons – 1.1 million
- Average number market transactions – 30 million
- *EVE* “GDP” – 130 trillion of Interstellar Currency
- Ships produced / destroyed in June – 1.3 million / 714k



EVE ONLINE LEGACY

PC GAMER

“Murder Incorporated”

WIRED

“EVE Online fraud nets ‘Bad Bobby’ £ 42,000”

Forbes

“EVE Online Player Loses A Spaceship Worth Approximately \$9,000”

The New York Times

“A Virtual Bank With Real Woes”

THE WALL STREET JOURNAL.

“Real Economist Learns From Virtual World”

BBC NEWS

“Billions stolen in online robbery”





EVE
DUST 514[®]

ONE UNIVERSE // ONE WAR

EVE FANFEST CINEMATIC TRAILER 2012





EVE DUST 514

- » CCP's entry into the console market, where first person shooter style of game is the biggest genre
- » Free to play premium console shooter with proven virtual goods business model
- » Strategic adjacency to EVE Online on an established global platform
- » First mass market entry into the EVE Universe



Milestones

- » Entered Open Beta on January 22, 2013, joining *EVE Online* in the EVE Universe for the first time
- » Full commercial release on May 14, 2013
- » Currently undergoing a monthly update cycle in collaboration with the DUST 514 player community



DUST 514 RECEPTION



PLAYSTATION UNIVERSE

Playstation Universe // May 20, 2013

"*DUST 514* is easily the most in-depth FPS game out there and with an admission fee of \$0.00 there is no reason at all for you not to check out what could be your go-to FPS for the next 5-10 years."



MMORPG.com // June 14, 2013

"The shooting is tight, the experience exciting, and the interplay between games a joy to behold. There are definitely a few months of refinement ahead, but *Eve Online* players can enjoy another facet to their universe and PS3 loyalists can enjoy a great shooter for nothing."



Gaming Age // June 6, 2013

"Is it a little rough around the edges right now? You bet. But with a virtually non-existent entry cost and some solid foundation to back it up, *Dust 514* is worth checking out."



EVE
VALKYRIE™



EVE
VALKYRIE™

- » Multiplayer spaceship dogfighting game set in the EVE Universe with world-class virtual reality integration
- » Unveiled as “EVE-VR” tech demo at EVE Fanfest 2013 in CCP keynote and player tournament
- » Winner of prestigious awards at E3 2013, including “Game of E3 2013” from PC Gamer and “Most Innovative Game” from IGN
- » Officially announced as “EVE: Valkyrie” at Gamescom 2013
- » Commercial launch slated for 2014



EVE: VALKYRIE ANNOUNCEMENT TRAILER





EVE: VALKYRIE ANTICIPATION

“

PC GAMER

“...the game made a staggering impression on me...”

IGN

“...the most next-gen experience...”

games radar.

“...the future of gaming”

ROCK, PAPER SHOTGUN

“2014 is the year of the Valkyrie.”

”



EVE VALKYRIE™



THE PLAYERS OF THE EVE UNIVERSE

- » The EVE Universe has players from almost every country on Earth, building global relationships
- » More than a sum of the games within it the EVE Universe is social hub for its players that has long since spilled over to real life
- » High life value for players, 20-25% of all *EVE Online* players become “lifetime” or long-term players
- » *EVE Online* has democratically elected council, The Council of Stellar Management, *DUST 514* has The Council of Planetary Management
- » Thousands of EVE Universe players come to EVE Fanfest and local *EVE* events all over the globe, interacting in real life and dedicating time to build the *EVE* experience beyond the computer





STRATEGIC ADVANTAGE



EVE UNIVERSE STRATEGY





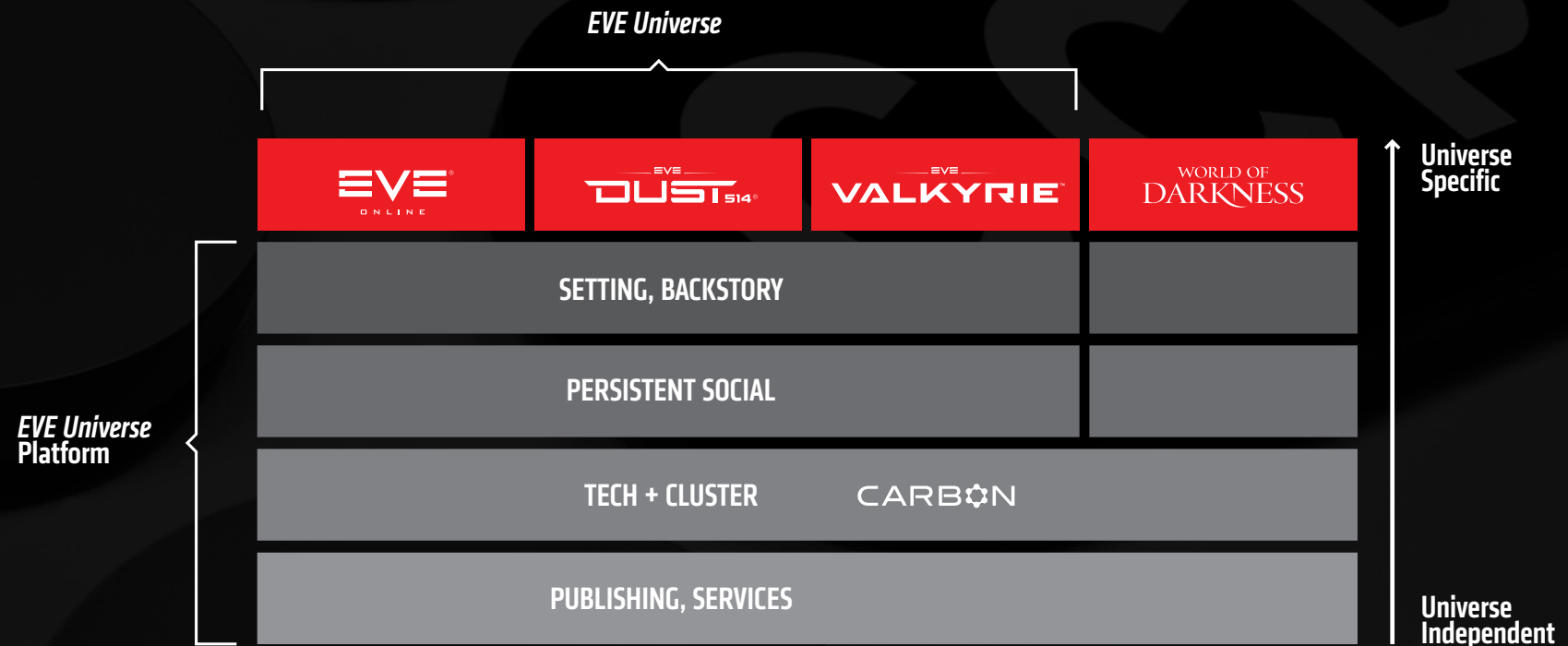
CARBON

Carbon is the proprietary technology foundation that we use to build virtual worlds. For more than a decade, it has driven the success of our Company through continuous improvements and iterations, enabling us to release product expansions, grow our customer base, create new games on new platforms, and empower our development teams to quickly deliver value to our customers.



CARBON UNDERPINS THE EVE UNIVERSE

PLATFORM





**“When Did Video Game Characters
Start Looking This Damn Good?”**

- Kotaku, April 30, 2012



DESIGN PHILOSOPHY

Most MMOGs are theme parks:

- » rules well established
- » lower player involvement
- » poor retention
- » high content creation costs



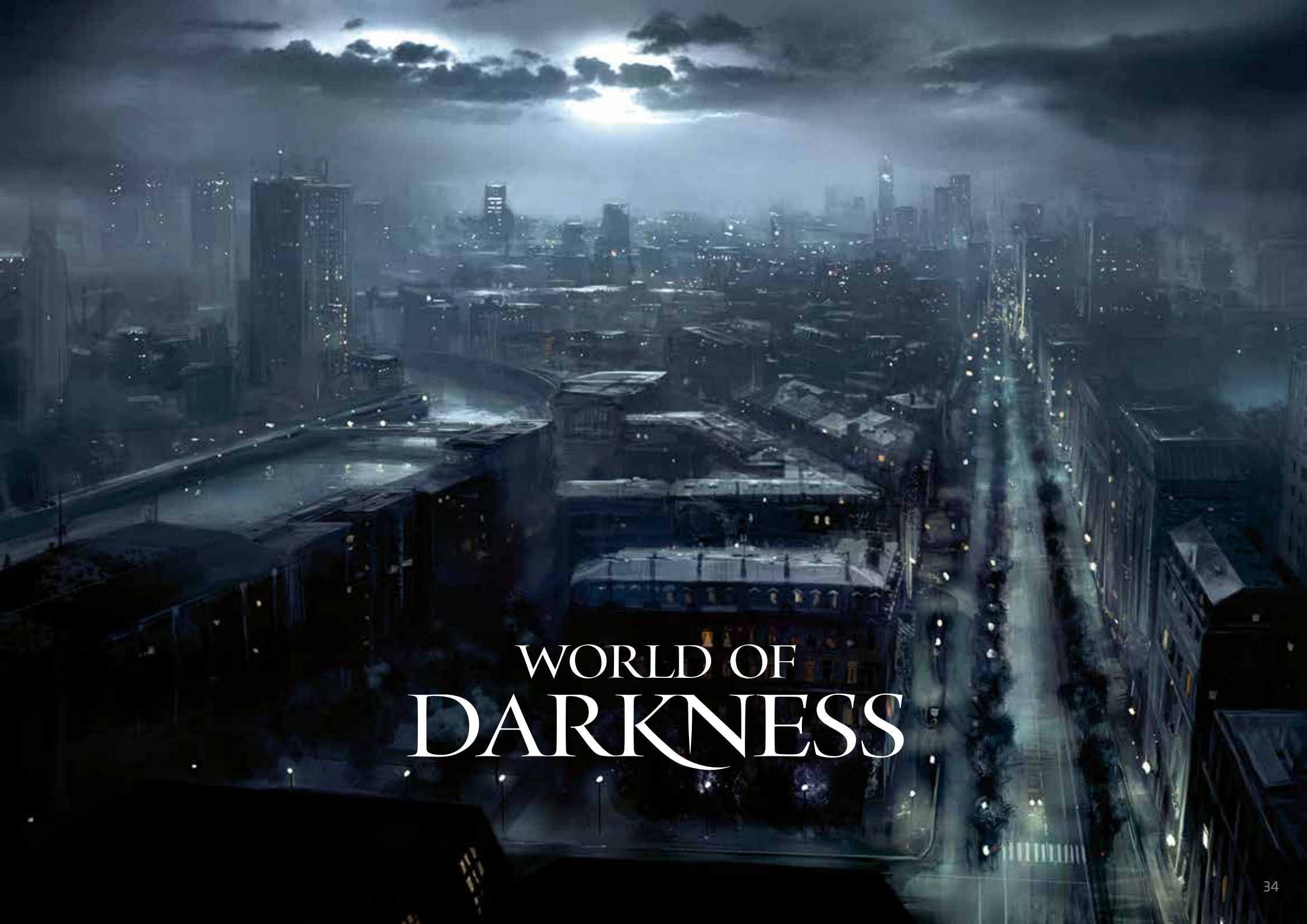
CCP builds sandboxes:

- » rules less defined
- » players create the content
- » lasting relationships
- » extremely high engagement, retention, ARPU
- » lower content creation costs



EVE ONLINE: THE BUTTERFLY EFFECT





WORLD OF
DARKNESS



WORLD OF DARKNESS BRAND

- » Vampire themed virtual world in modern urban setting
- » Based on *Vampire: The Masquerade* — world's 2nd most popular pen and paper RPG with over 6 million books sold and active, loyal fan base
- » *Vampire: The Masquerade Bloodlines* and *Redemption* video games sold over 2 million PC copies
- » Mass market entertainment product in a perpetually popular genre
- » A brand built up over 20 years. With more than 2 million historical followers and role playing gamers, *World of Darkness* has the potential to be an even larger commercial success than the more traditionally male sci-fi **EVE Universe**



WORLD OF
DARKNESS



FINANCIAL DISCUSSION



INCOME STATEMENT

- >> Consistent **revenue growth and attractive scale**
 - Lifetime Company Revenues exceed \$410mm
 - Revenues of \$36.7mm in H1 2013 compared to \$32.2mm in 2012 for the same period, representing 14% YoY growth
 - Deferred revenues increased by \$1.7mm to \$6.9mm
- >> We own our **Brands** - no license payments
- >> **Profitable and predictable** business model
 - Gross margins of 92-93%
 - Consolidated EBITDA of \$8.3mm with cash profitability of *EVE Online* in range of 40%
 - \$72.6mm of cumulative EBITDA from 2009 through June 30, 2013, reinvested in product development
- >> Financial expenses
 - 2012 positively impacted by currency gain from participation in Central Bank of Iceland ISK auction
 - Interest expenses have increased with issuance of \$20mm Convertible Bond, but have decreased with respect to senior bank loan, the principal of which is being amortized

<i>Numbers are in \$000s</i>	For 12 months ended December 31,				For 6 months ended June 30,	
	2009	2010	2011	2012	2012	2013
Revenues	55,269	59,184	65,264	65,297	32,189	36,650
Revenue Growth Rate %	19%	7%	10%	0.1%	-2%	14%
Gross Profit	47,516	53,110	59,659	60,472	29,741	33,897
Gross Profit Margin %	86%	90%	91%	93%	92%	92%
Total Operating Expenses	(39,628)	(46,619)	(51,834)	(57,654)	(26,748)	(34,404)
Operating Profit	7,888	6,491	7,825	2,818	2,992	(507)
Financial Expenses	(1,358)	(2,754)	(1,342)	1,099	2,005	(702)
Income Tax	(339)	1,678	2,262	796	914	1,527
Net Income	6,191	5,415	8,745	4,714	5,911	319
Net Income Margin %	11%	9%	13%	7%	18%	1%
EBITDA	14,824	14,935	18,180	16,440	9,844	8,284
EBITDA Margin %	27%	25%	28%	25%	31%	23%



INCOME STATEMENT

- >> **Gross profit** \$33.9mm, 14% increase compared to \$29.7mm in prior year
- >> **IFRS EBITDA** was \$8.3mm, decreasing by approximately \$1.5mm compared to H1 2012 due to increased marketing and development investments and G&A growth
- >> Operating loss for the period was \$500k compared to an operating profit of \$3mm in H1 2012, also impacted by increased amortization post launch of *DUST 514* and non cash equity compensation
 - Increase in non cash equity compensation of \$1.2mm, in part from impact of increased tax valuation

For the 6 months ending June 30,

	2012	2013	Delta
Game revenue	31,675	36,039	4,364
Other revenue	514	611	97
Total Revenues	32,189	36,650	4,461
Cost of sales	(2,448)	(2,753)	(305)
Gross profit	29,741	33,897	4,156
Operating expenses			
Research and development	(8,460)	(12,825)	(4,364)
Publishing	(4,626)	(4,474)	153
Marketing	(5,769)	(7,615)	(1,845)
General and administrative	(7,892)	(9,490)	(1,598)
Total operating expenses	(26,748)	(34,404)	(7,655)
Operating profit	2,992	(507)	(3,499)
Financial income	1	511	510
Financial cost	(516)	(1,464)	(948)
Net exchange rate difference	2,520	251	(2,269)
Profit (loss) before taxes	4,997	(1,208)	(6,205)
Income tax	914	1,527	613
Profit for the period	5,911	319	(5,592)
Exchange difference	(30)	181	210
Total comprehensive income	5,881	499	(5,382)
IFRS EBITDA	9,844	8,284	
<i>% margin</i>	31%	23%	



BALANCE SHEET

>> Strong equity position

- Continued profits of *EVE Online* plus investments in additional products
- Increase in H1 2013 of \$1.8mm (profits, Stock Option reserve/exercise)

>> Financial Debt is mixture of Senior Bank Loan, Convertible Bond and Capital leases

- Senior Loan has decreased by \$1.3mm over last 18 months
- No funds drawn under senior lender revolving credit agreement

>> Cash Liquidity of \$18.2mm, held in various currencies and all in short term bank deposits

>> Development Investments In *EVE Online*, *DUST 514*, *World of Darkness*

>> Current Assets include trade receivables, prepaid expenses, VAT and Income tax receivables, and transaction processing deposit

>> Trade payables level of \$4-4.5mm normalized for our current size

>> Strong Financial Ratios

	As of December 31,		As of June 30,	
	2010	2011	2012	2013
Development Investments	54,615	74,769	88,012	93,225
Non-Current Assets	9,271	10,750	10,756	10,062
Current Assets	8,380	8,433	9,180	9,437
Cash and Cash Equivalents	11,224	3,664	20,369	18,224
Total Assets	83,490	97,615	128,316	130,947
Equity	49,770	59,512	66,642	68,492
Financial Debt (1)	12,512	12,590	32,087	30,993
Deferred Tax and Other Non-Current Liabilities	7,935	10,520	12,813	12,833
Deferred Income	3,587	4,152	5,231	6,919
Trade Payables	3,290	4,611	4,706	3,672
Other Current Liabilities	6,395	6,231	6,839	8,038
Total Equity and Liabilities	83,490	97,615	128,316	130,947
Debt/EBITDA	0.8x	0.7x	2.0x	2.1x
Equity/Total Assets	60%	61%	52%	52%

1) Financial debt includes long term borrowings, bank overdrafts and loans, and current maturities of borrowings



STATEMENT OF CASH FLOWS

- >> Cash of \$18.2mm, reflecting \$2.1mm consumed in H1 2013
- >> Increased **amortization** for *EVE Online*, *DUST 514* and Carbon platform
- >> Modest increase of **development investments**
 - Investments in our projects are managed utilizing ROI analyses and business planning reviews
- >> **Financings** reflect equity raised in 2009 and received in 2010, refinancing of pre-existing debt, issuance of \$20mm convertible bond in 2012 and changes in capital leases
- >> Change in **working capital** takes into account increased tax credits and 2012 currency gain

	As of December 31,		As of June 30,	
<i>Numbers are in \$000s</i>	2010	2011	2012	2013
Profit for the period	5,415	8,672	4,713	319
Amortization / Depreciation	8,443	10,356	13,622	8,790
Other Non-cash Operating Items	1,128	590	1,622	(32)
Change of Working Capital	2,396	3,322	4,812	2,699
Asset purchases / Other Capitalized Development	(2,411)	(2,484)	(1,515)	(270)
Financing	15,976	(260)	17,681	(1,149)
Net Cash Change (1)	7,419	(7,560)	16,705	(2,144)
Cash at end of period	11,224	3,664	20,369	18,224

(1) Includes impact of foreign exchange rates



APPENDIX





PRINCIPAL BOND TERMS

- » **Form of Investment:** Convertible bonds denominated in USD, listed on the Nasdaq OMX Iceland, see prospectus at www.ccpgames.com/en/Company/corporateinformation
- » **Amount of Issuance of Bonds:** \$20mm, available in units of \$100,000
- » **Maturity:** 16 July 2017 (5 years from original issuance)
- » **Repayment:** One payment at maturity
- » **Interest rate:** 7% fixed per annum
- » **Interest Payments:** Semi-annual interest payments, commencing 16 January 2014 (first payment represents an aggregate of three interest periods)
- » **Security:** Unsecured
- » **Voluntary Prepayment:** The Company may prepay the Bonds at any time. Prior to a prepayment, holders will receive 30 days' advance notice and right to convert their Bonds into shares of Common Stock (currently unlisted)



PRINCIPAL BOND TERMS

- » **Conversion:** At any time prior to maturity, each holder of the bonds has the right to convert all (but not less than all) of the outstanding, unpaid principal on such holder's Bonds into common stock of the Company at a price per share equal to \$32, subject to adjustment as provided in "Anti-Dilution Protection" as further described in the full description of the Bonds. Any accrued, but unpaid interest on the Bonds at the time of conversion shall be paid out separately to each bondholder and shall not count towards the allocation of Common Stock to such bondholder upon conversion
- » **Change of Control:** Within 30 days after a change of control transaction (as defined in the full description of the Bonds) the Company shall offer to prepay any outstanding, unpaid bonds in full, unless holders of at least 66.67% of the outstanding unpaid principal of the bonds waive the requirement
- » **Anti-Dilution Protection:** The conversion price of the bonds will be adjusted for (a) stock splits, stock combinations, and similar events, and (b) issuance by the Company of any equity instruments, new classes of shares, or other convertible bonds at a price less than \$32 USD per share
- » **Events of Default:** If one or more of the following events occur, and such event is neither waived nor cured (see Waiver and Cure in the full bond description), then such event shall constitute an "Event of Default" of the Bonds
 - **Overdue payments:** The Company fails to pay any amount when due under the Bond
 - **Insolvency/Compositions:** The Company becomes insolvent
 - **Cross Acceleration:** Any interest-bearing debt of the Company exceeding \$1mm is accelerated
 - **Unlawfulness:** It is or becomes unlawful for the Company to perform any of its payment or conversion obligations under the Bonds
 - **Cessation:** A decision by the Company to cease its operations or to sell or dispose of substantially all of its assets
 - **Delisting:** After the Bonds have been listed they cease to be traded on any recognized securities exchange



PRINCIPAL BOND TERMS

- » **Financial covenants:** The Company is required to satisfy the following financial covenants;
 - As of June 30 and December 31 of each calendar year, the Company has unrestricted and available cash sufficient to meet forecasted payments of principal and interest for the next six months on the bonds and on all other interest bearing debt senior or pari passu with the bonds
 - As of June 30 and December 31 of each calendar year, the aggregate outstanding principal of the Company's interest bearing debt ranking senior or pari passu with the bonds does not exceed the lesser of:
1.5 times EBITDA for the trailing 12 month period, determined based on the Issuer's historical accounting practices, consistently applied, and excluding all extraordinary transaction charges and \$40mm
- » **Pari Passu Ranking:** Payment obligations under the bonds rank at least pari passu with the claims of all of the Company's other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by laws of general application to companies
- » **Subordination:** The bond is subordinated to the Company's senior debt facility

www.ccpgames.com

