



# SNAIL INC.

A LOOK INTO OUR PAST  
DECEMBER 2023



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# Snail Games at-a-Glance

## Executive Team



Jim Tsai, CEO

20+ years of leadership experience in global interactive entertainment companies



Heidi Chow, CFO

18+ years of experience in accounting at firm partner and independent board capacities



Peter Kang, COO

10+ year at Snail Games with experience in organizational operations



Hai Shi, CSO

20+ years in the gaming industry. Founded Suzhou Snail Digital Tech. and Snail Games

## The Company

**2009**

Year Founded

**Culver City**

Headquarter

**104**

Employees

## Our Games

**Sandbox Survival**

Market Leader

**88M**

ARK Installs

**25+**

Games

## Our Financials

**\$74.4M**

FY22 Revenue

**33%**

Gross Margin

**94%**

U.S. Revenue

*Data as of September 30, 2023, unless otherwise stated*

# Business Segments Fuel A Virtuous Growth Cycle



## Publishing

Drives capital for game development and third-party studio partnerships

- Premium game focus, across AAA and indie
- AAA titles published under Snail label, indie titles under Wandering Wizard

## Development

Focuses on designing next-gen games to support publishing pipeline

- Collaborative partnerships with premier game development studios
- Independent operations maintain creative culture

## Technology

Delivers next-gen interactive entertainment to our global audience

- Integration of next-gen technology to deliver high-quality entertainment
- Incorporation of leading third-party and proprietary technology

# Key Financial Highlights

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**1**

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**Track record of revenue growth and strong gamer engagement**

**2**

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**High quality revenue mix focused on Digital Distribution**

**3**

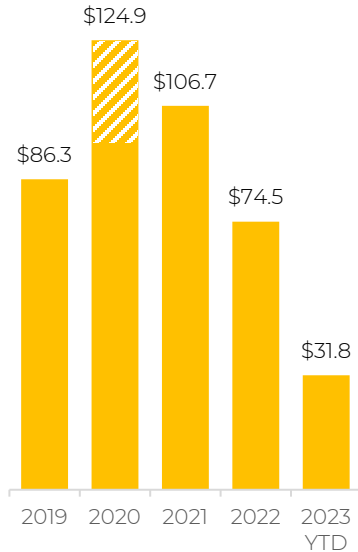
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**Lean operating structure with a focus on efficiency**

# Track Record of Consistent Revenue Generation

## Annual Revenue

(\$, in millions)



 Potential COVID Impact

## Quarterly Revenue

(\$, in millions)

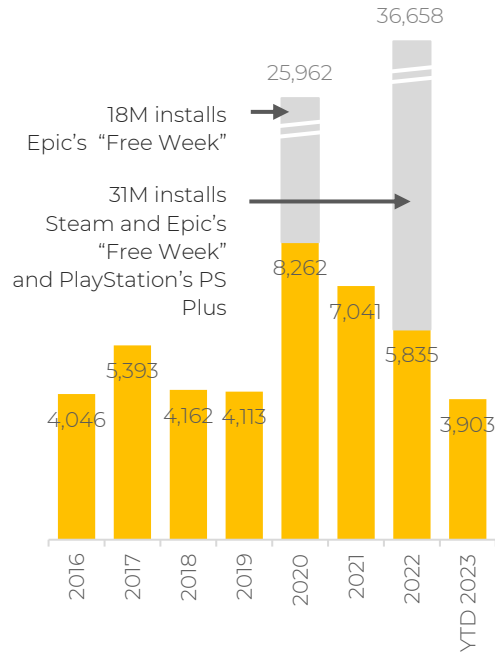
### ARK: Survival Ascended Released in Q4 2023



# Growth Driven by Pipeline of New Releases

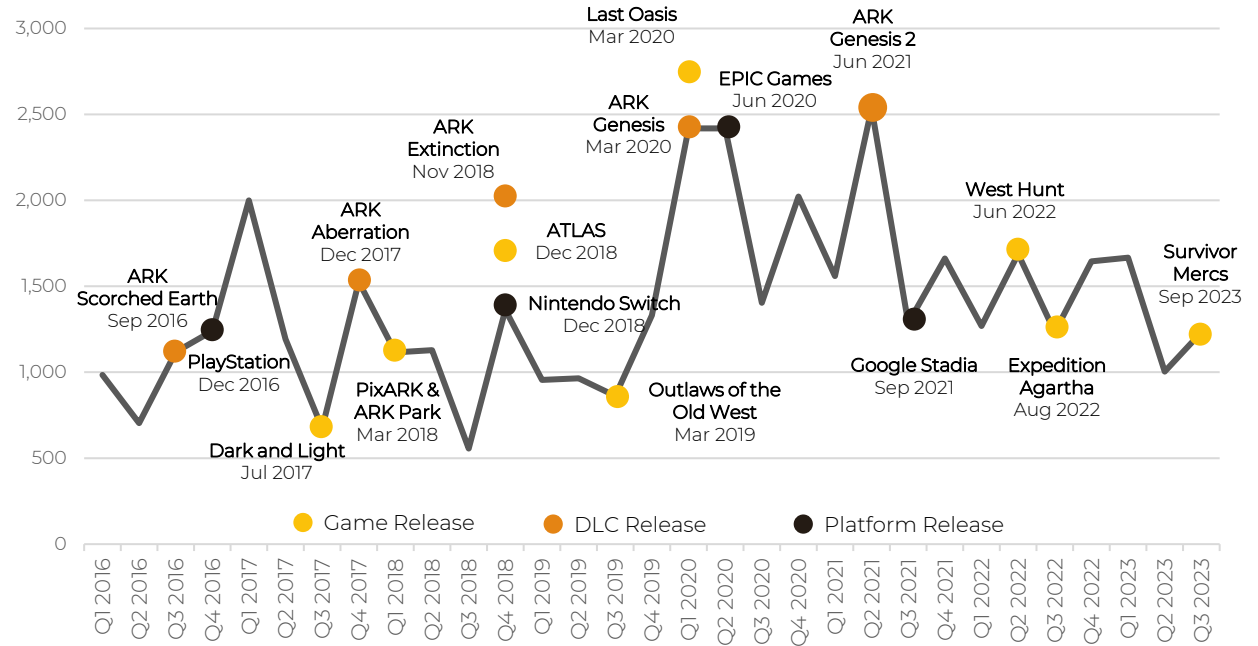
## Annual Units Sold

(in thousands, thru September 2023)

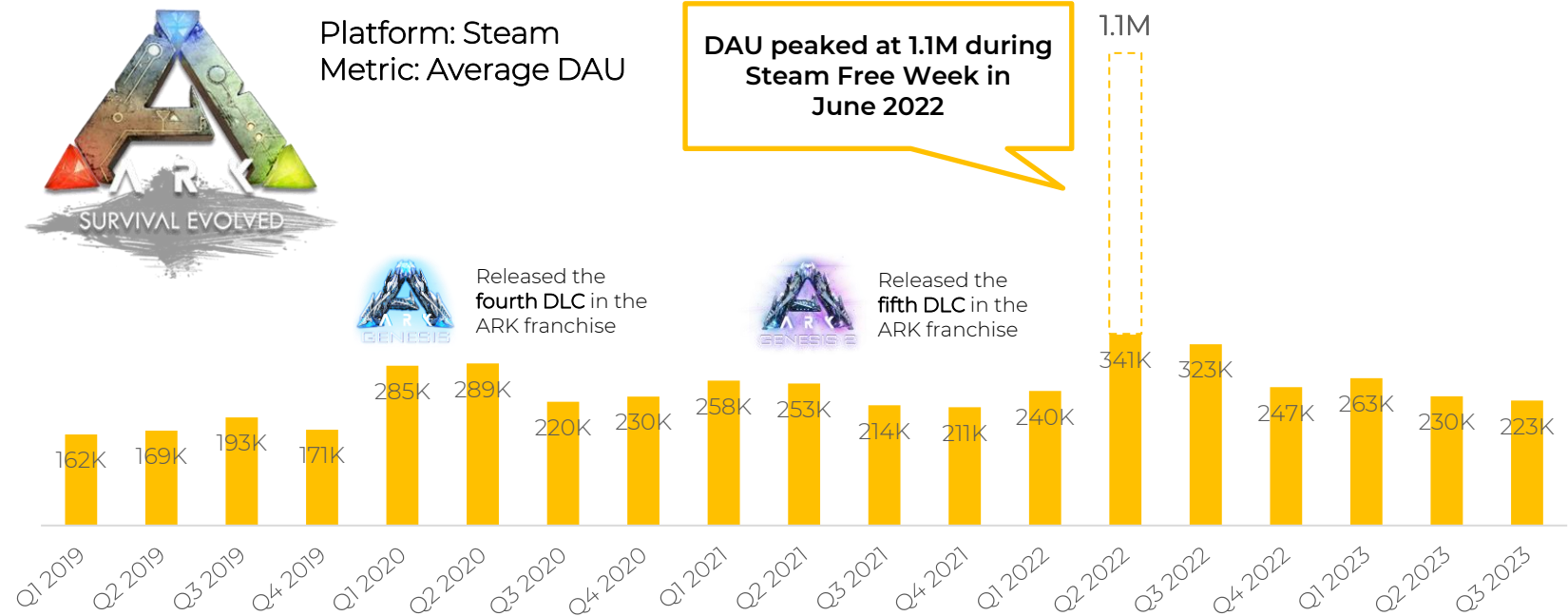


## Quarterly Units Sold

(in thousands, thru September 2023)



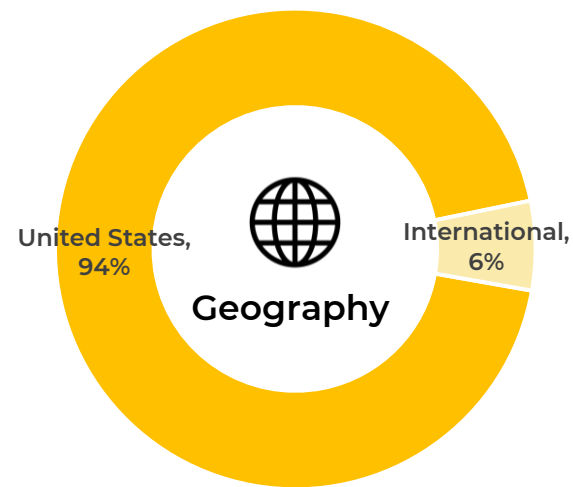
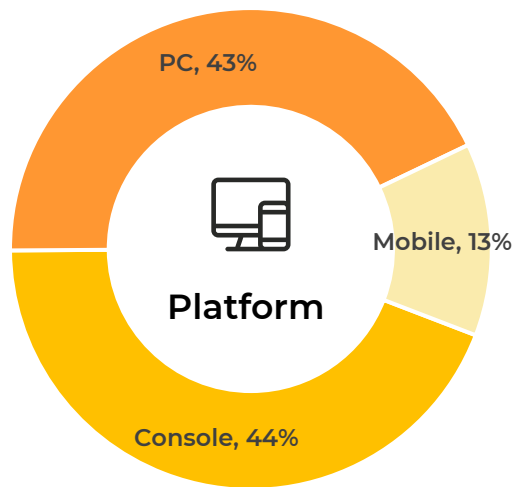
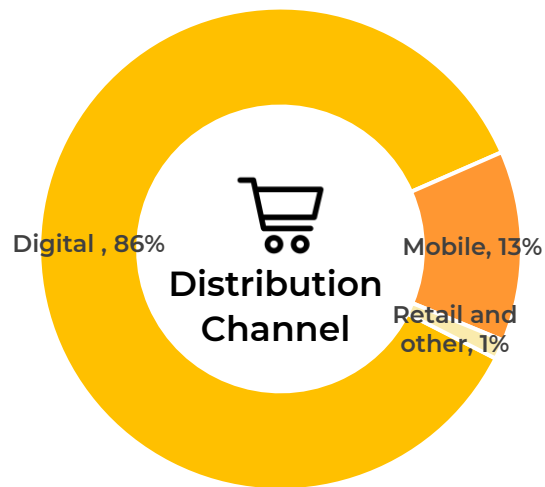
# History of Strong and Consistent Engagement



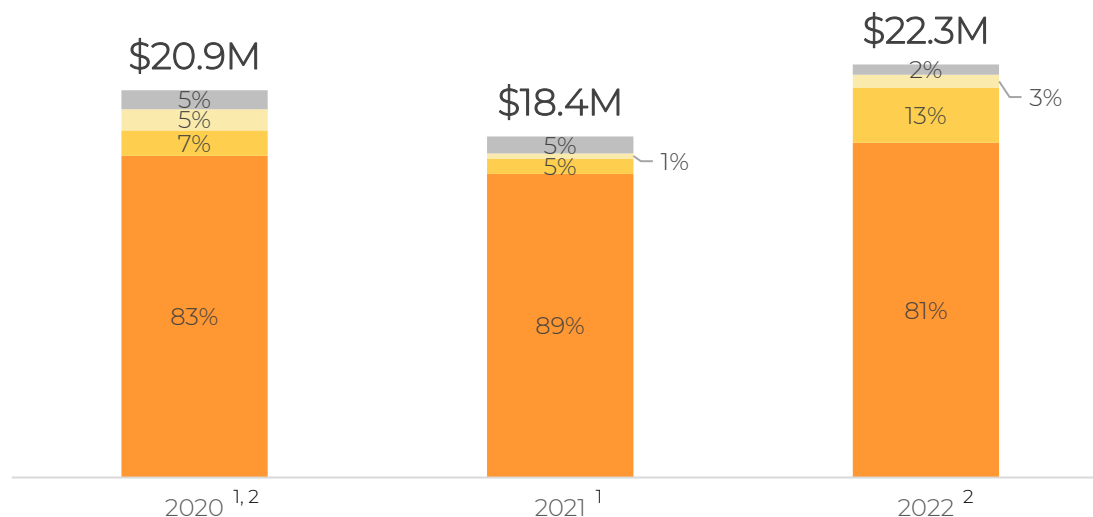


# Quality Revenue Mix Led by Digital Distribution

## FY2022 Revenue Mix



# Lean and Efficient Operating Structure



**Operating expense**  
**20%**  
**of annual revenue**

(wtg. average over 3 years)



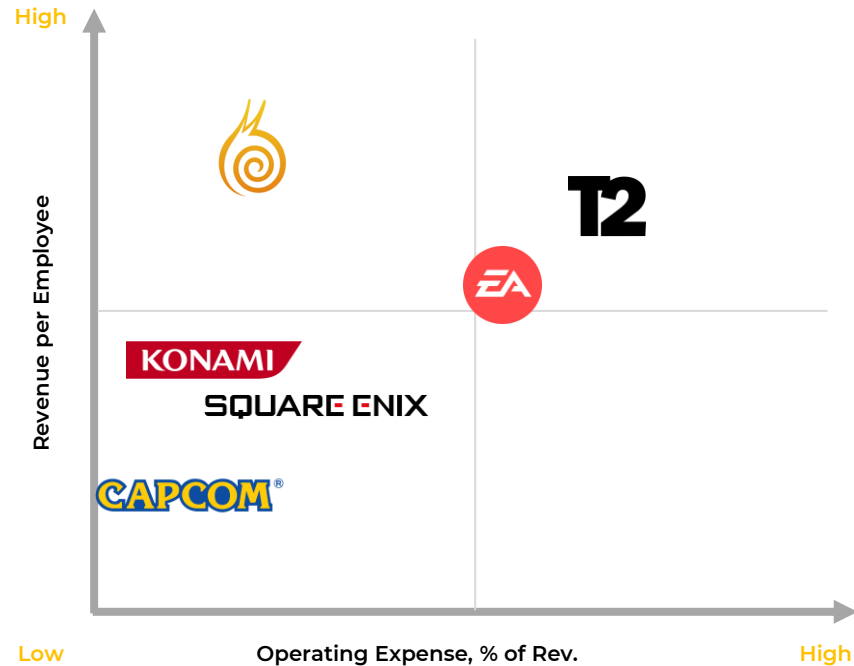
1. Excludes impairment of intangible assets of \$1.3M in 2020 and \$16.3M in 2021

2. Excludes litigation expense of \$5.5M in 2020 and \$4.2M in 2022

3. Other includes depreciation, amortization and gain/loss on disposal of fixed assets

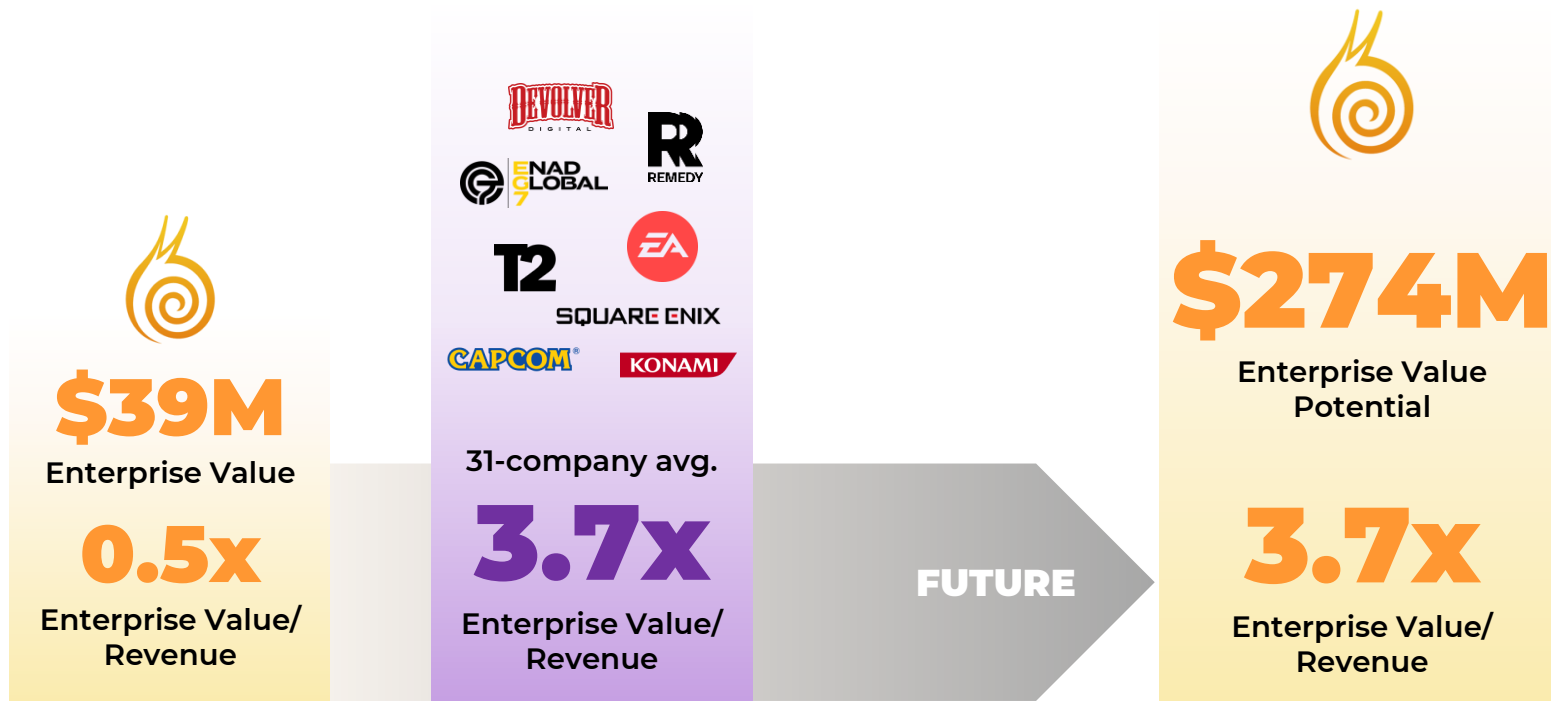
# Uniquely Positioned Among Peers

**Snail operates in a unique space,  
high revenue per employee &  
low operating expense**



Source: 2022 Financials, Company filings and Yahoo Finance, details in appendix

# Our Potential in Valuation Growth



Source: Lazard Interactive Media & Technologies Report, Mar 17, 2023, Snail Games FY22 financials, SNAL as of September 29, 2023

# Key Investment Highlights

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**1**

**Genre-defining IP with proven success**

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ARK franchise acquired 88M installs across PC and Console platforms

**2**

**Well-defined near-term growth drivers**

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Strong ARK pipeline with sequel, future DLCs, and animation

**3**

**Unique IP to drive entertainment franchises**

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A unique IP that is well positioned to be adapted across entertainment

**4**

**Top-line growth with lean operating structure**

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Differentiated financial position, with opportunity for enterprise value growth

**COME JOIN US IN THIS  
EXCITING JOURNEY**

**THANK YOU**

# Appendix

A dark, atmospheric scene from a fantasy game. In the foreground, a large, scaly creature with orange and blue feathers is on the left. In the center, a smaller creature with a red horn and a rider on its back is visible. To the right, a large, dark, multi-headed creature with sharp teeth and horns is roaring. In the background, a character is seen climbing a cliffside. The scene is set in a dark, rocky environment with a large, glowing blue crystal or structure in the distance.

# Internal Developed IP Highlights



## Dark and Light

Jul 2017 Release  
345K+ units sold



## ARK Park

Mar 2018 Release  
800K+ units sold



## ATLAS

Dec 2018 Release  
840K+ units sold



## Last Oasis

Mar 2020 Release  
340K+ units sold

...many more within our game portfolio

*(Cumulative data from release through December 2022)*



# Enterprise Value Multiples

Company	Enterprise Value	EV/ 2023E Rev <sup>1</sup>	Company	Enterprise Value	EV/ 2023E Rev <sup>1</sup>
Snail	\$ 39,263,851	0.5x	Roblox	\$ 25,753,000,000	7.6x
Activision	55,210,000,000	5.9x	Unity Software	12,233,000,000	5.8x
Electronic Arts	30,734,000,000	4.1x	Tencent	383,771,000,000	4.3x
Take-Two Interactive	21,465,000,000	3.6x	Sea Ltd.	55,880,000,000	4.1x
Ubisoft Entertainment	3,822,000,000	1.7x	NetEase	40,047,000,000	2.7x
CD Projekt	2,943,000,000	12.8x	Nintendo	31,049,000,000	2.6x
Keywords Studios	2,621,000,000	3.0x	NEXON	16,016,000,000	5.1x
Team17 Group	701,000,000	3.8x	Bandai Namco	11,860,000,000	1.6x
Frontier Developments	235,000,000	1.6x	Capcom	6,401,000,000	6.3x
Devolver Digital	183,000,000	0.9x	KONAMI	5,187,000,000	2.1x
Embracer Group	8,480,000,000	2.2x	NCsoft	4,694,000,000	2.4x
Paradox Interactive	2,386,000,000	10.7x	Square Enix	4,291,000,000	1.5x
Stillfront	1,290,000,000	1.8x	Sega Sammy	3,111,000,000	1.0x
Modern Times Group	422,000,000	0.8x	Krafton	3,008,000,000	2.2x
Remedy Entertainment	258,000,000	6.7x	Netmarble	3,002,000,000	1.4x
Enad Global 7	218,000,000	1.1x	Kakao Games	2,880,000,000	2.6x

Source: Lazard Interactive Media & Technologies Report, Mar 17, 2023, Snail Games FY22 financials, SNAL as of September 29, 2023

1. Snail EV Multiple based FY22 revenue

# Financial Metrics

COMPANY	LTM REVENUE, \$ AS OF DEC 2022	LTM OP. EXPENSE, \$ AS OF DEC 2022	MOST RECENT EMPLOYEE COUNT	REVENUE PER EMPLOYEE, \$	OPERATING EXP. AS % OF REVENUE
Capcom	772,604,866	153,559,420	3,206	240,987	20%
Electronic Arts	7,377,000,000	4,092,000,000	12,900	571,860	55%
Konami	2,368,524,351	554,543,795	4,894	483,965	23%
Square Enix	2,641,714,973	1,012,171,558	5,637	468,638	38%
Take-Two	4,833,704,000	2,927,212,000	7,799	619,785	61%
Snail	74,444,141	22,307,691	86	865,630	30%

Source: 2022 Financials, Company filings and Yahoo Finance