



glu™

Glu Mobile Inc. 2015 Analyst Day

May 14, 2015



Forward-Looking Statements and Non-GAAP Information

The presentations and discussions that you will see and hear today will contain "forward-looking" statements. Forward-looking statements include all statements that are not historical facts and which can often be identified by terms such as "anticipates," "expects," "believes," "plans," "intends," "may," "might," "will," "could," "estimate," "continue" and similar expressions or variations. Forward-looking statements in today's presentation include statements about Glu's expected and potential operating and financial performance, Glu's expected product and business strategies, industry trends, Glu's competitive position, Glu's potential growth opportunities, Glu's product roadmap, and the expected use of proceeds from the Tencent investment.

These forward-looking statements are subject to material risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These material risks and uncertainties include: consumer demand for smartphones and tablets does not grow as significantly as we anticipate or that we will be unable to capitalize on any such growth; the risk that we do not maintain our good relationships with Apple and Google; the risk that our development expenses are greater than we anticipate; the risk that complying with Apple's requirement that our games support 64-bit development will negatively impact our operating results; the risk that the games we newly launch are less popular than anticipated; the risk that the mobile games market, particularly with respect to social, free-to-play gaming, is smaller than anticipated; and other risks detailed under the caption "Risk Factors" in our Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings. You can locate these reports through our website at <http://www.glu.com/investors>.

These "forward-looking" statements are based on information available to us on May 14, 2015 and we are under no obligation, and expressly disclaim any obligation, to update or alter our forward-looking statements whether as a result of new information, future events or otherwise.

The presentations and discussions that you will see and hear today also contain certain non-GAAP financial measures as defined by SEC rules, such as non-GAAP revenue, non-GAAP smartphone revenue, EBITDA and EBITDA margin. EBITDA is defined as non-GAAP operating income/(loss) excluding depreciation. EBITDA margin is defined as EBITDA divided by non-GAAP revenue.

The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Glu's results of operations as determined in accordance with GAAP. Glu believes that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding Glu's performance by excluding certain items that may not be indicative of Glu's core business, operating results or future outlook. Glu's management uses, and believes that investors benefit from referring to, these non-GAAP financial measures in assessing Glu's operating results, as well as when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate comparisons of Glu's performance to prior periods. For a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, please refer to the tables at the end of this presentation.



Presenting Team

Niccolo de Masi
Chairman & CEO
22 Quarters



Eric R. Ludwig
COO & CFO
42 Quarters



Chris Akhavan
Pres. of Publishing
9 Quarters



Matt Nutt
VP & GM, Glu L.B.
4 Quarters



Science Behind Our Growth

2:00 – 2:30pm	Niccolo	Glu: A Gaming Platform
2:30 – 3:00pm	Matt	Driving Social
3:00 – 3:30pm	Chris	User Acquisition & Monetization Trends
3:30 – 4:00pm	Niccolo	The Growth Opportunity
4:00 – 4:30pm	Eric	Financial Overview & Long Term Model
4:30 – 5:00pm	Q&A	
5:00 –	Niccolo	Wrap Up & Cocktails



Glu: A Gaming Platform



A System, Not One Game

1. Built a diversified gaming platform that positions us for predictable annual growth
2. Product focus now on building community + brand power
3. Hollywood platform opportunity creates strong barriers to entry



Agenda

1. Our Culture
2. Our Track Record
3. Building Game Communities
4. Tencent Strategic Relationship
5. 2015 Roadmap



1. Our Culture



Our Purpose

Unmissable Entertainment.
Anywhere.

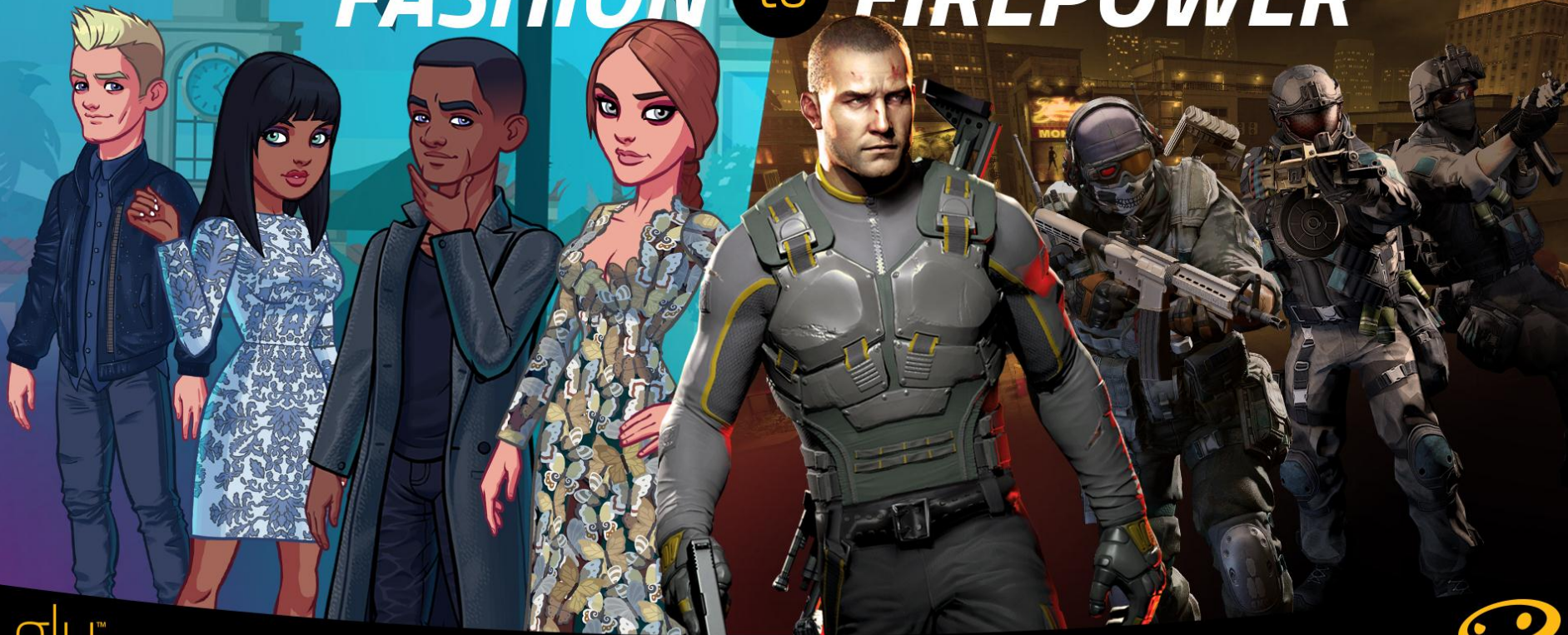


Our Mission

To create instantly recognizable,
lasting game franchises
by combining star talent and social power



FROM *FASHION* to *FIREPOWER*



glu™

#MobileGamesForEveryone



FROM **TURF WARS** to **WARFARE**



glu™

#MobileGamesForEveryone



SLASHING DEMONS to SLINGING DISHES



glu™

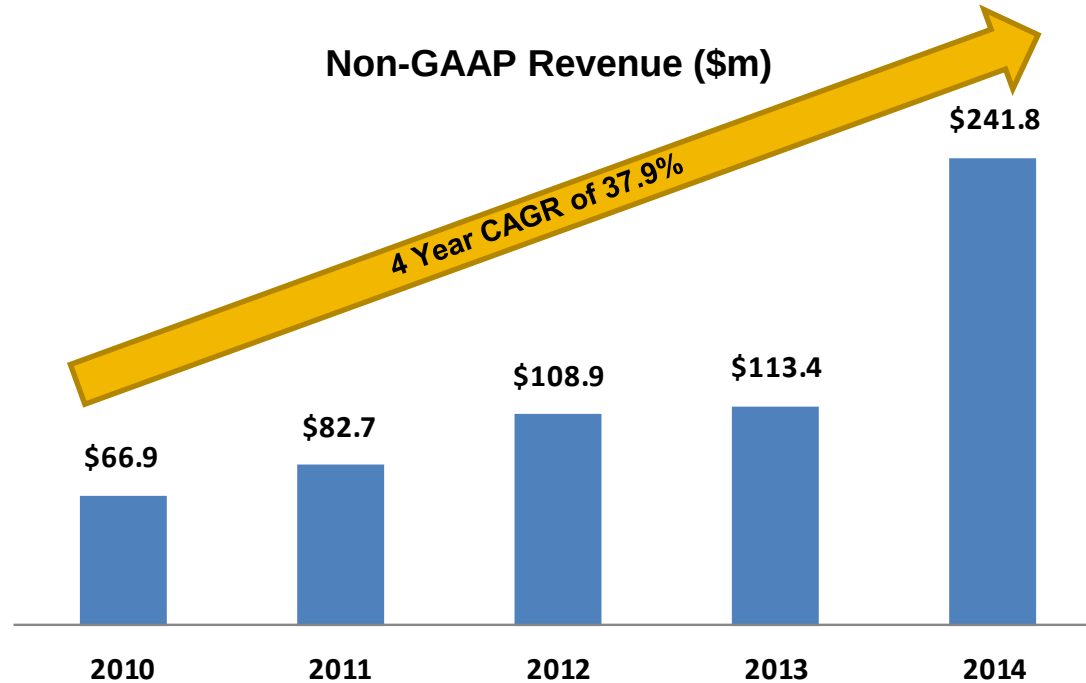
#MobileGamesForEveryone



2. Our Track Record



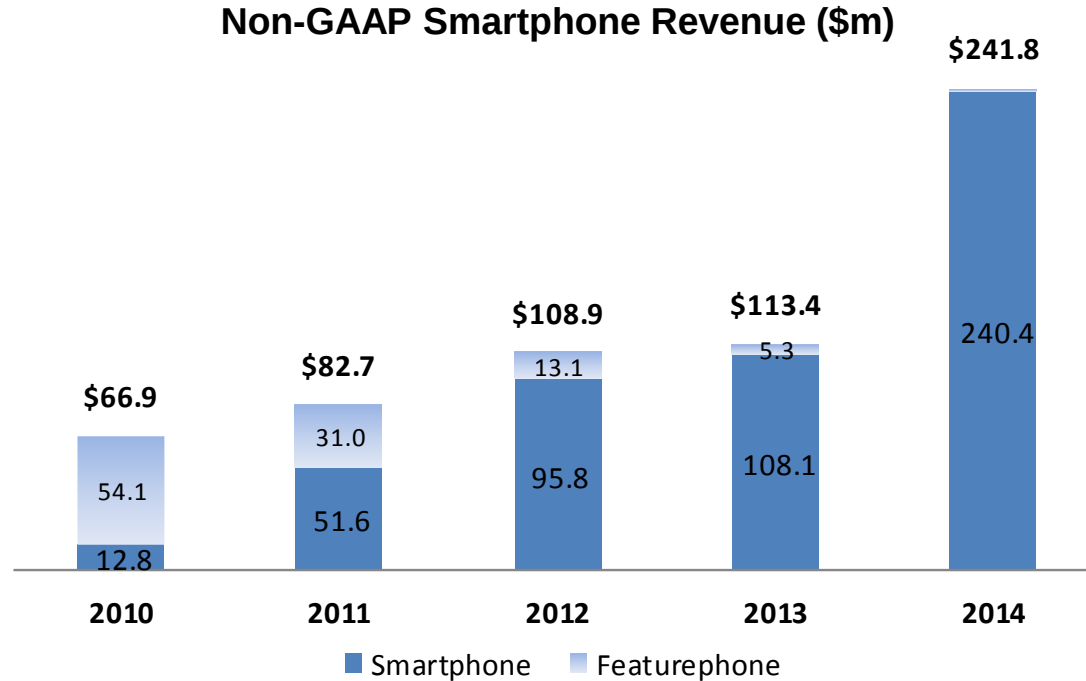
37.9% 4-Year Topline CAGR



Non-GAAP revenues have been restated or revised, as appropriate, to reflect gross accounting for digital storefronts for 2010, 2011, 2012 and Q113 and prospectively, as outlined in the Company's 8/6/2013 Form 8-K and press release



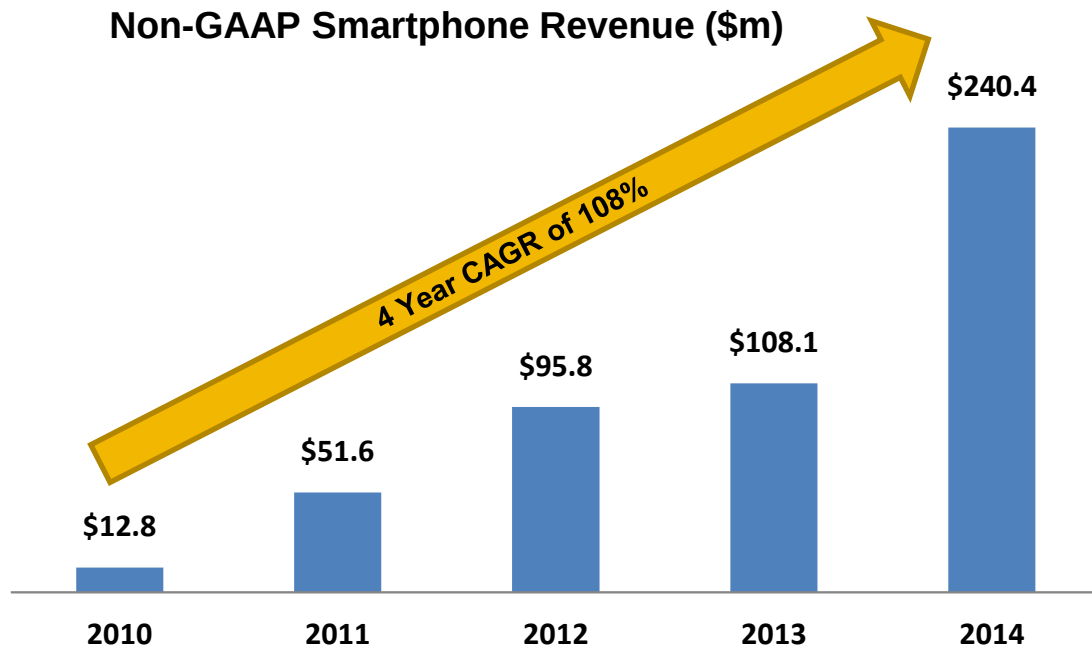
Featurephone Replacement Drag Over



Non-GAAP revenues have been restated or revised, as appropriate, to reflect gross accounting for digital storefronts for 2010, 2011, 2012 and Q113 and prospectively, as outlined in the Company's 8/6/2013 Form 8-K and press release



108% Smartphone CAGR

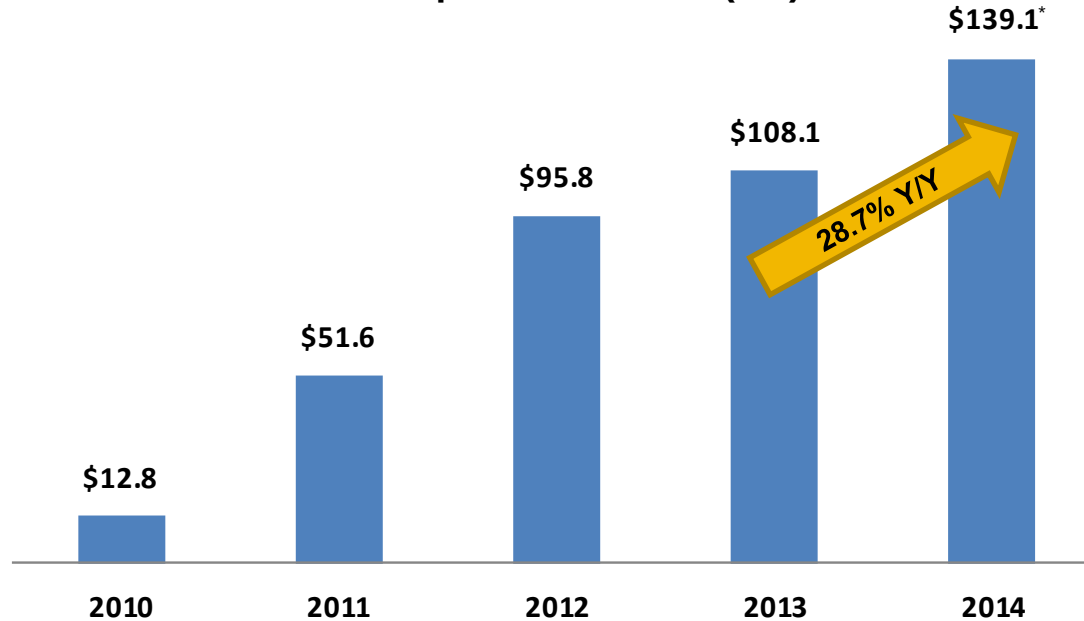


Non-GAAP revenues have been restated or revised, as appropriate, to reflect gross accounting for digital storefronts for 2010, 2011, 2012 and Q113 and prospectively, as outlined in the Company's 8/6/2013 Form 8-K and press release



Removing KKH & Acquisitions from 2014

Non-GAAP Smartphone Revenue (\$m)

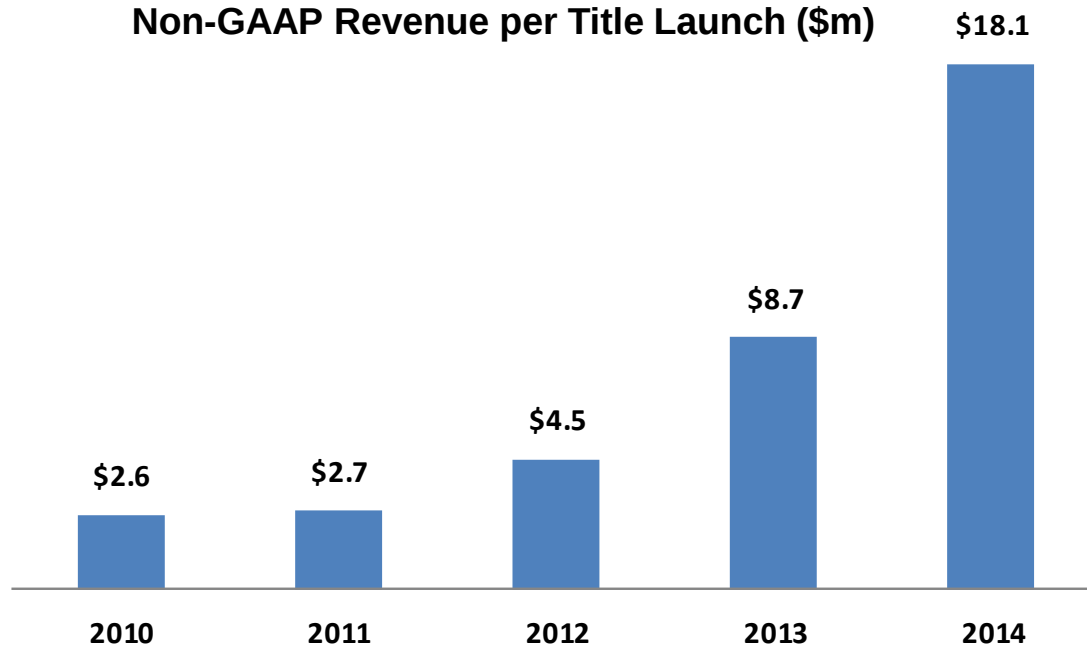


Non-GAAP revenues have been restated or revised, as appropriate, to reflect gross accounting for digital storefronts for 2010, 2011, 2012 and Q113 and prospectively, as outlined in the Company's 8/6/2013 Form 8-K and press release

**2014 Non-GAAP smartphone revenue excludes revenue derived from Kim Kardashian: Hollywood and all titles developed by studios acquired through our acquisitions of PlayFirst, Inc. and Cie Games, Inc. in 2014.*



‘Batting Average’ Improving*



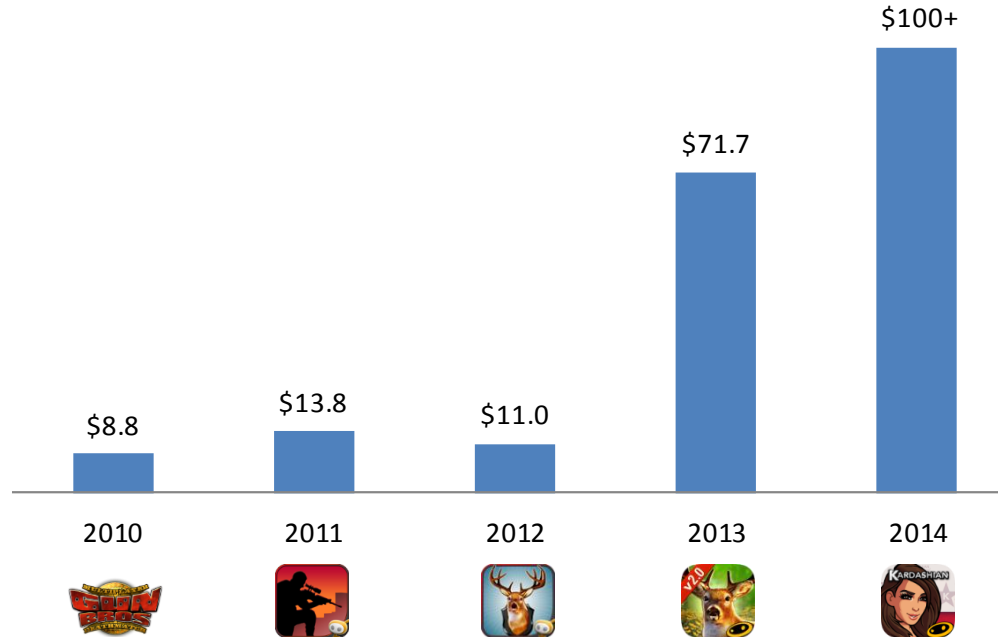
*Computed based on the respective year's total non-GAAP smartphone revenue from games internally developed by Glu, except that Racing Rivals is included in revenue for 2014, divided by the # of internally developed games launched by Glu in that year, including Racing Rivals for 2014. Certain games that were launched in one year, may contribute significantly to revenues in a subsequent year, such as Deer Hunter 2014, which was launched in 2013, but also contributes to the "batting average" for 2014.

Non-GAAP revenues have been restated or revised, as appropriate, to reflect gross accounting for digital storefronts for 2010, 2011, 2012 and Q113 and prospectively, as outlined in the Company's 8/6/2013 Form 8-K and press release



Hits Getting Bigger

First 12 Months of Non-GAAP Revenue for Biggest Title Launched Each Year* (\$m)

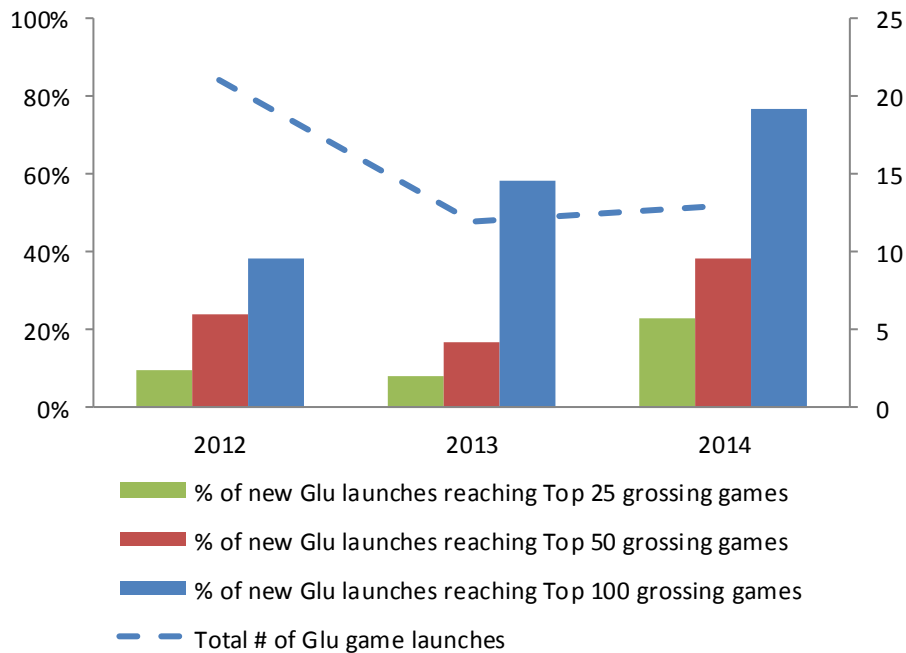


*Computed based on the first full twelve months of non-GAAP revenue from global launch but also including any Beta testing period revenue. Includes estimates for KKH non-GAAP revenues for Q215.

Non-GAAP revenues have been restated or revised, as appropriate, to reflect gross accounting for digital storefronts for 2010, 2011, 2012 and Q113 and prospectively, as outlined in the Company's 8/6/2013 Form 8-K and press release



Consistent & Improving 'Hit Ratio'

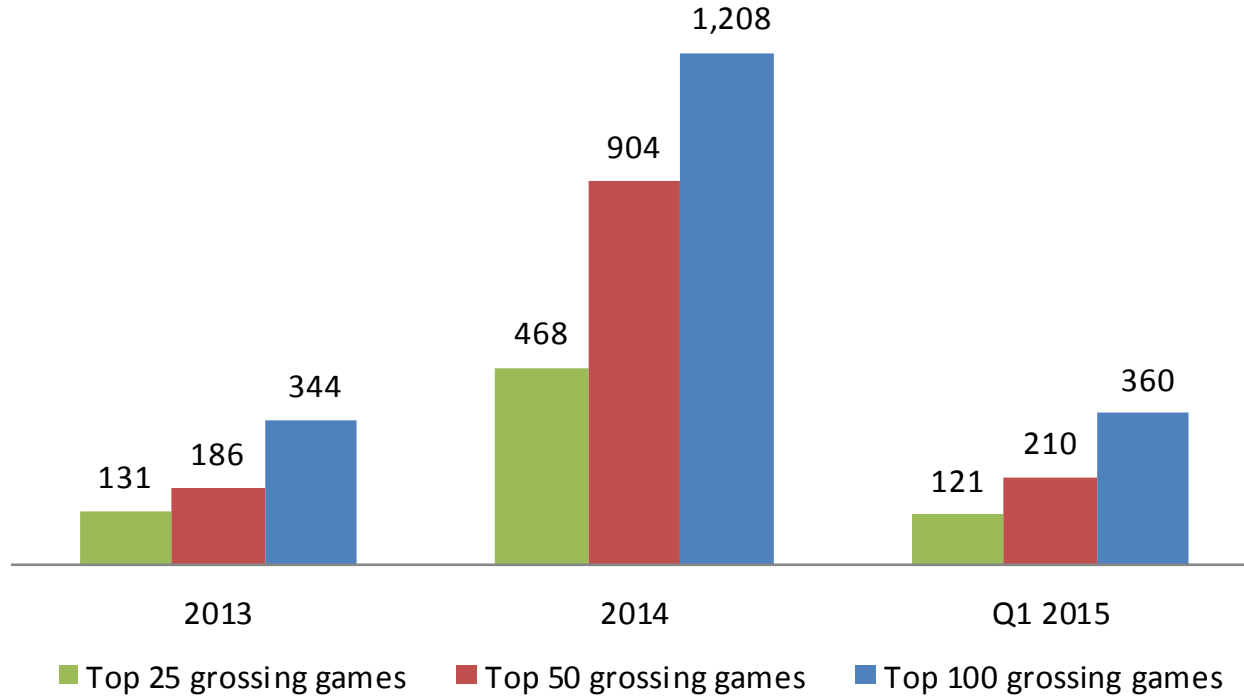


**Based on top grossing ranking for all games on the US App Store for iPhone through December 31, 2014; Racing Rivals has been considered a 2014 launch in the above analysis*



Hits Persisting Longer

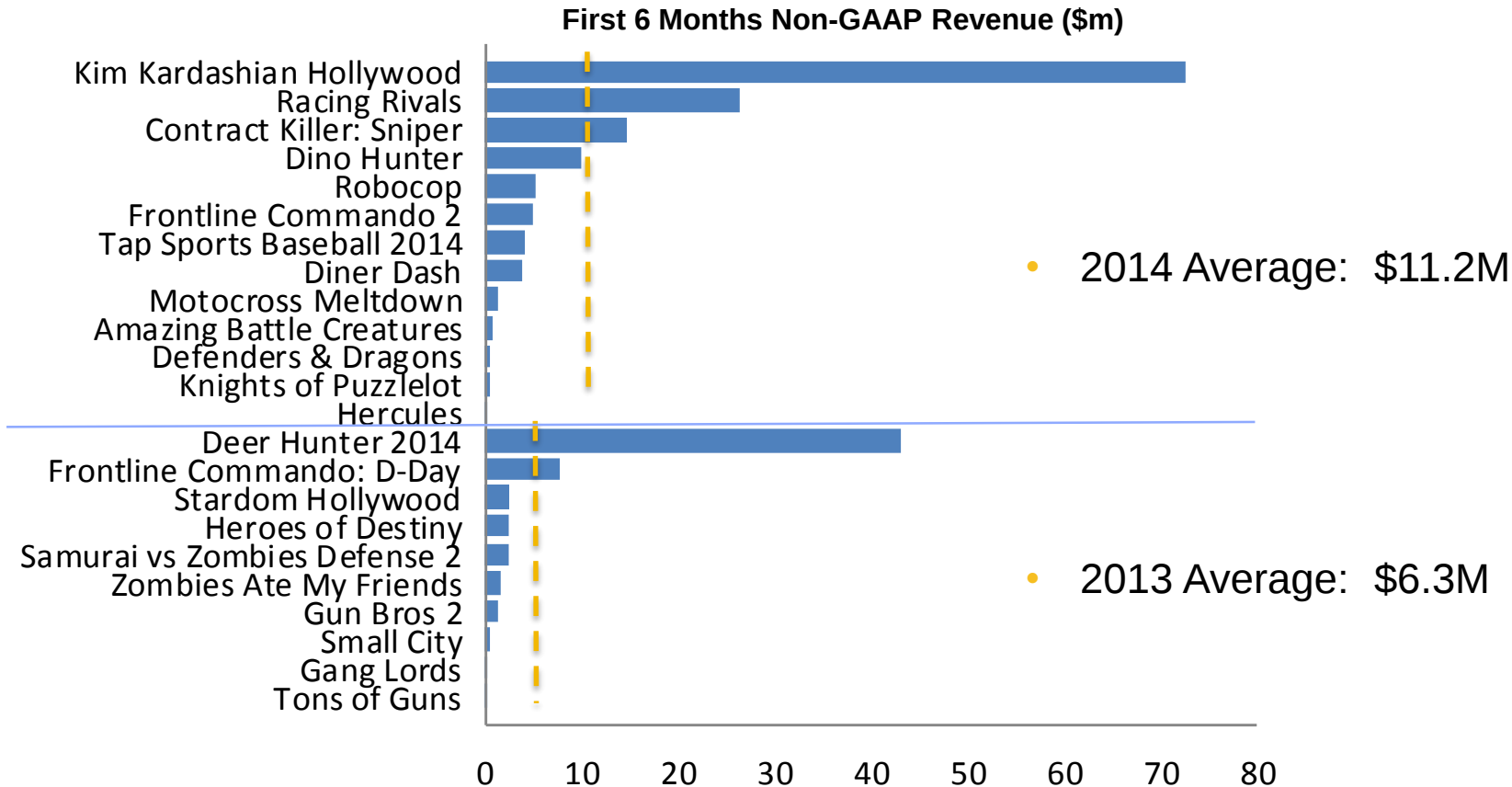
Days in Top Grossing US Games



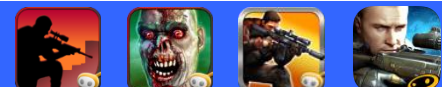
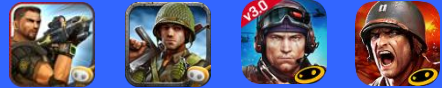
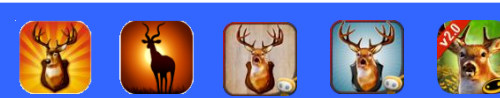
*Cumulative sum of days for all Glu games in the respective top grossing game rankings on the US App Store for iPhone.



Improving Batting Average & Consistency



Leader in 6 Key Gamer Demographics

	Franchise	Releases	Next	
Organic Acquired Combination			Next CK	FPS ARPG Time Management Racing Narrative RPG Sports
			Next FLC	
				
				
				
				
			Katy Perry	
				



Building Annuities

Game*		Total months in US top 30 grossing games**
	1. Clash of Clans	27 months
	2. Game of War - Fire Age	17 months
	3. Candy Crush Saga	25 months
	4. Candy Crush Soda Saga	2 months
	5. Big Fish Casino	27 months
	6. Madden NFL Mobile	3 months
	7. Kim Kardashian: Hollywood	7 months
	8. Minecraft Pocket Edition	26 months
	9. Farm Heroes Saga	12 months
	10. Hay Day	27 months
	11. MARVEL Contest of Champions	1 month
	12. DoubleDown Casino	22 months
	13. Modern War	25 months
	14. Slotomania	27 months
	15. Family Guy: The Quest for Stuff	8 months

Game*		Total months in US top 30 grossing games**
	16. SimCity BuildIt	0 months
	17. Boom Beach	9 months
	18. Pet Rescue Saga	18 months
	19. The Simpsons: Tapped Out	27 months
	20. Trivia Crack	0 months
	21. Bubble Witch 2 Saga	6 months
	22. Cookie Jam	6 months
	23. Racing Rivals	8 months
	24. The Sims: FreePlay	20 months
	25. myVEGAS Slots	12 months
	26. Jackpot Party Casino - Slots	16 months
	27. GSN Casino	16 months
	28. Deer Hunter 2014	8 months
	29. Trivia Crack (Ad Free)	0 months
	30. Castle Clash by IGG	0 months

*Based on top grossing ranking for all games on the US App Store for iPhone taken on December 21st 2014, AppAnnie.com

**Based on total number of full calendar months between October 2012 – December 2014 the respective game ranked as a top 30 grossing iPhone game on aggregate in the United States, App Annie Intelligence

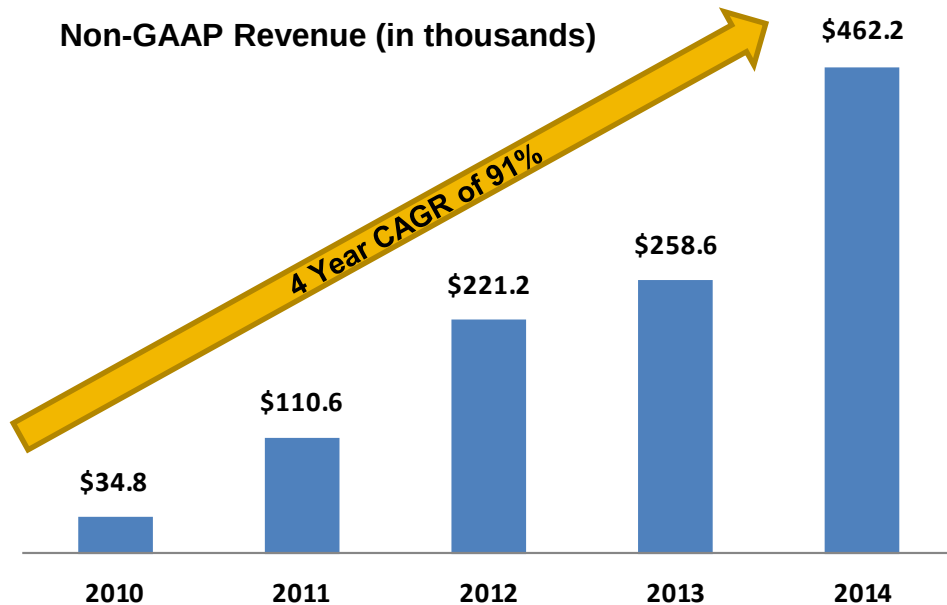


'Moneyball' Studio Strategy

- Systematic inculcation of team-talent-studio-product alignment
- Specialization of talent on each game engine – expertise, experience, passion, tech & tools
- Only enter new genres where can be top two – either in the category or are the category
- Long term focus on being the best in the world in given genre



Scaling Smartphone Revenue Per R&D Head



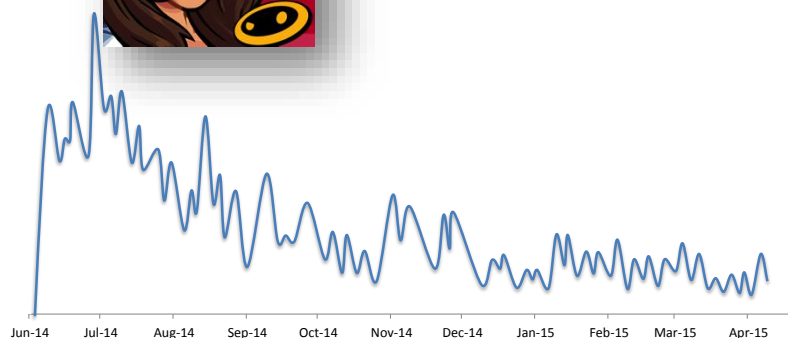
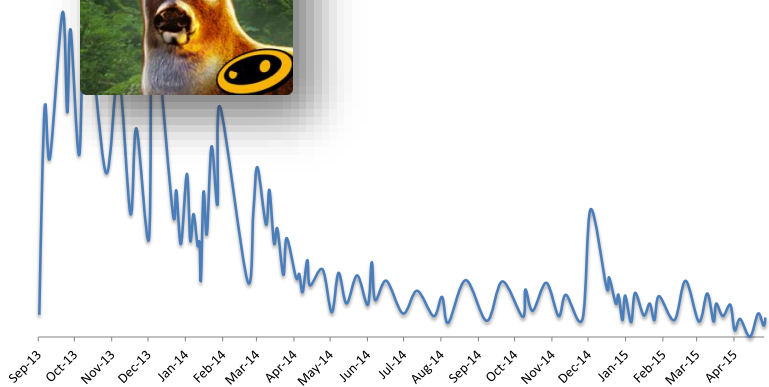
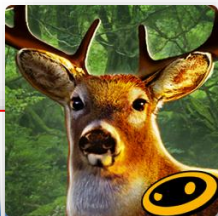
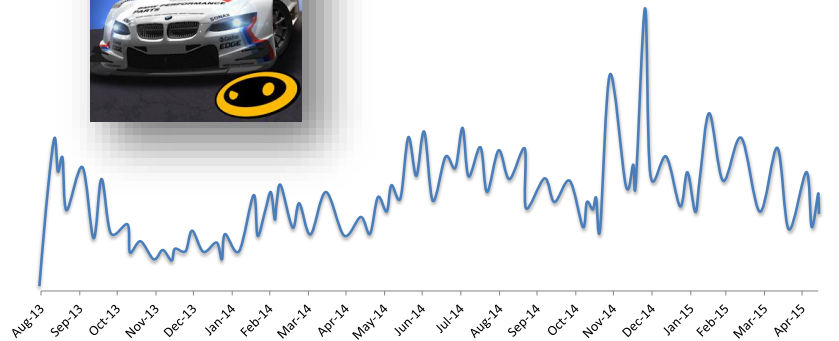
- Patient capital allocation
- Resources added where ROI greatest
- Focus on talent density
- Digestible expansion

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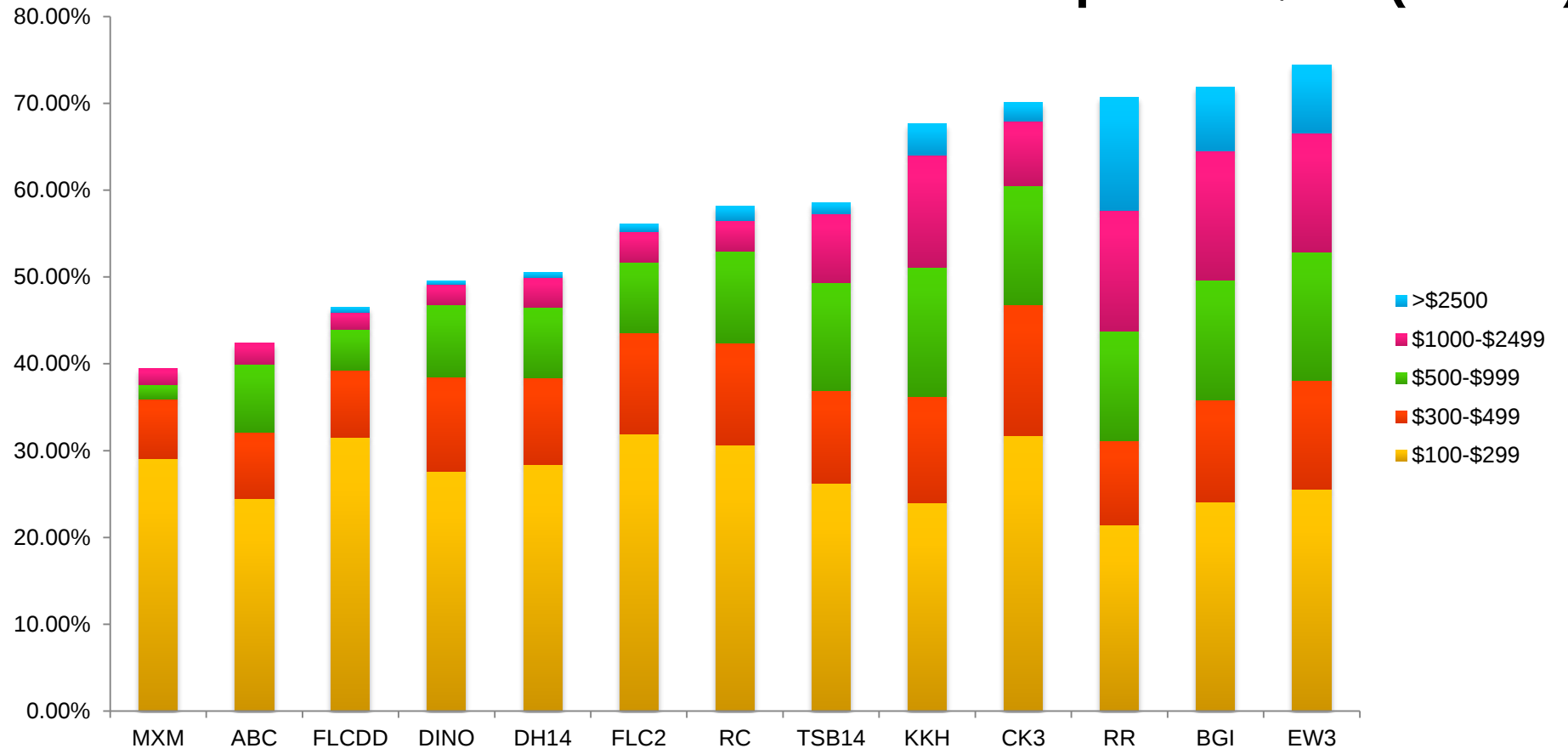


3. Building Game Communities





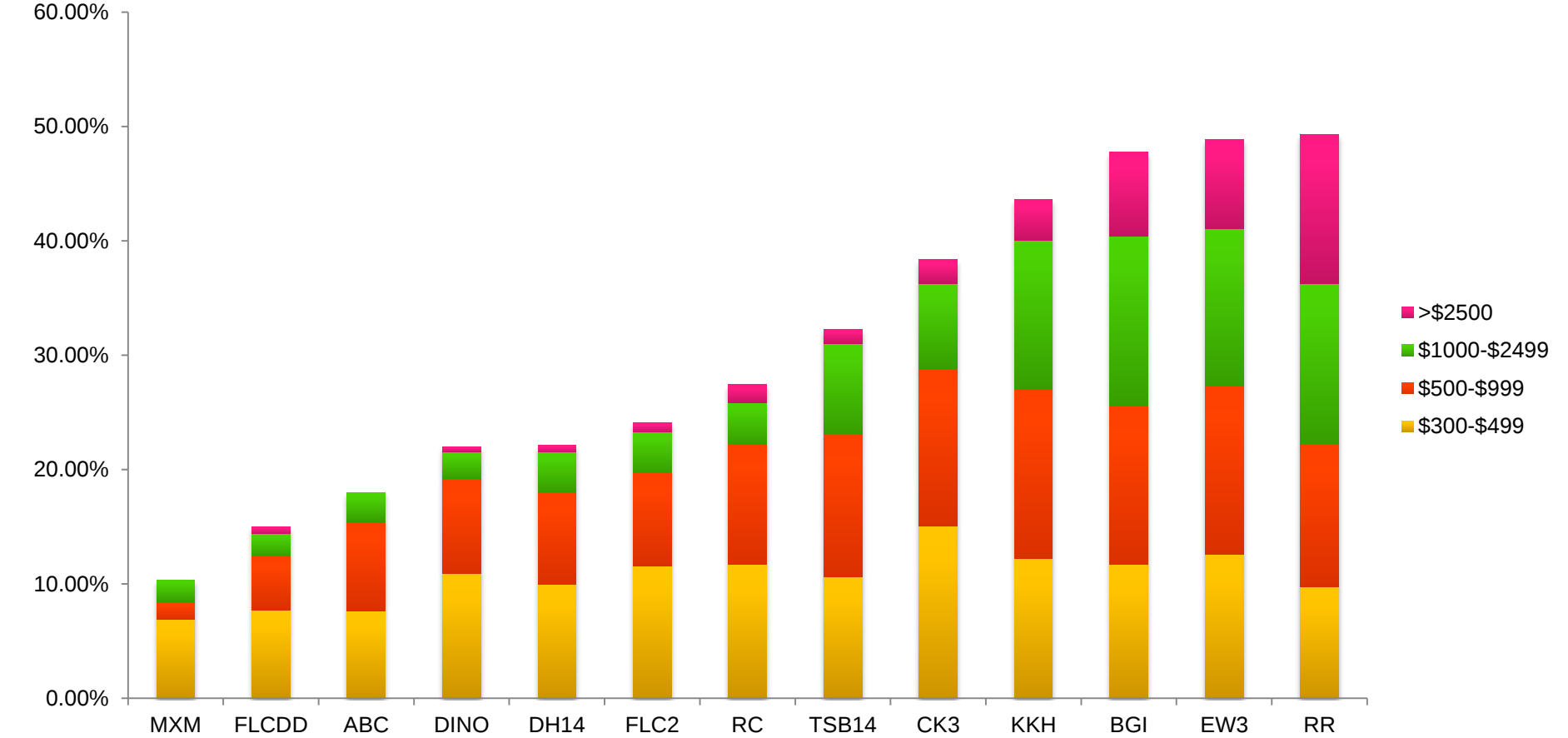
% Non-GAAP Revenue From Users Who Spend >\$100(Gross)



**Represents iOS and Android in-app-purchase spend from individual users from August 1, 2013 to May 5, 2015*



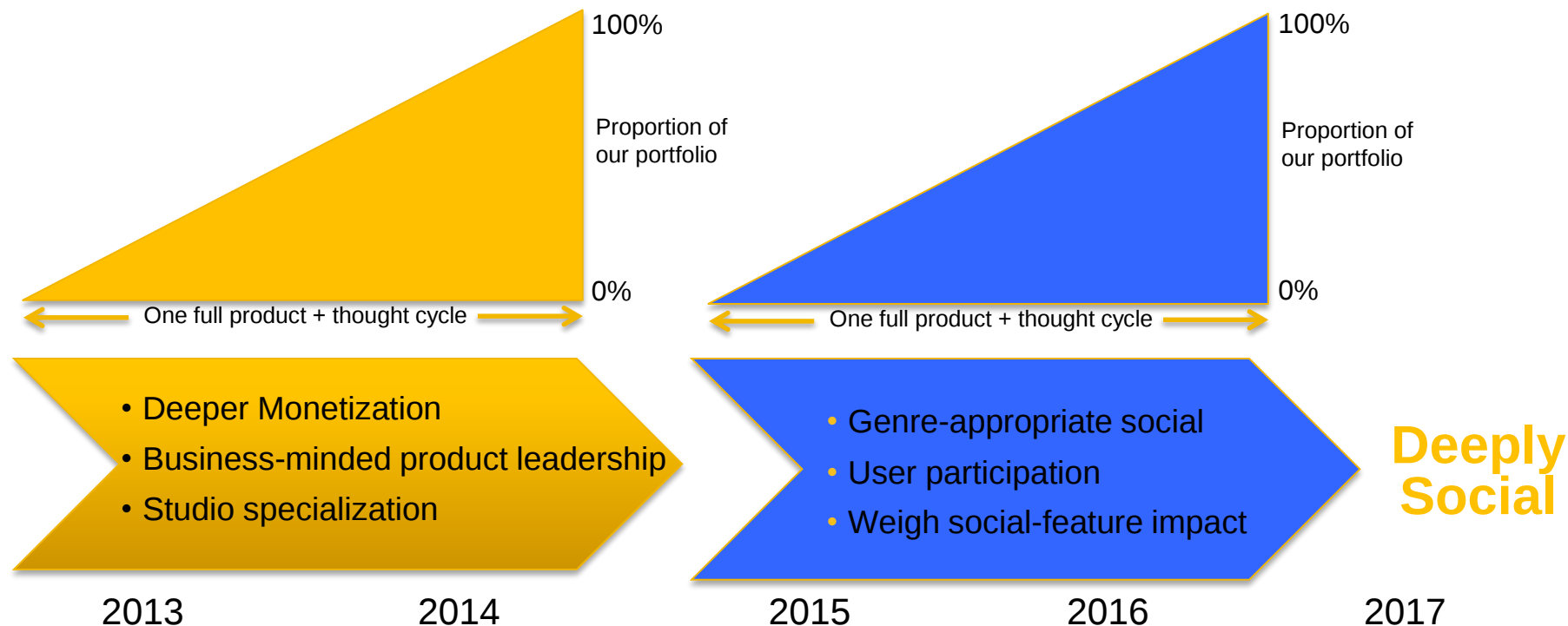
% Non-GAAP Revenue From Users Who Spend >\$300(Gross)



*Represents iOS and Android in-app-purchase spend from individual users from August 1, 2013 to May 5, 2015



Same Approach as Monetization



No 'golden hammer'

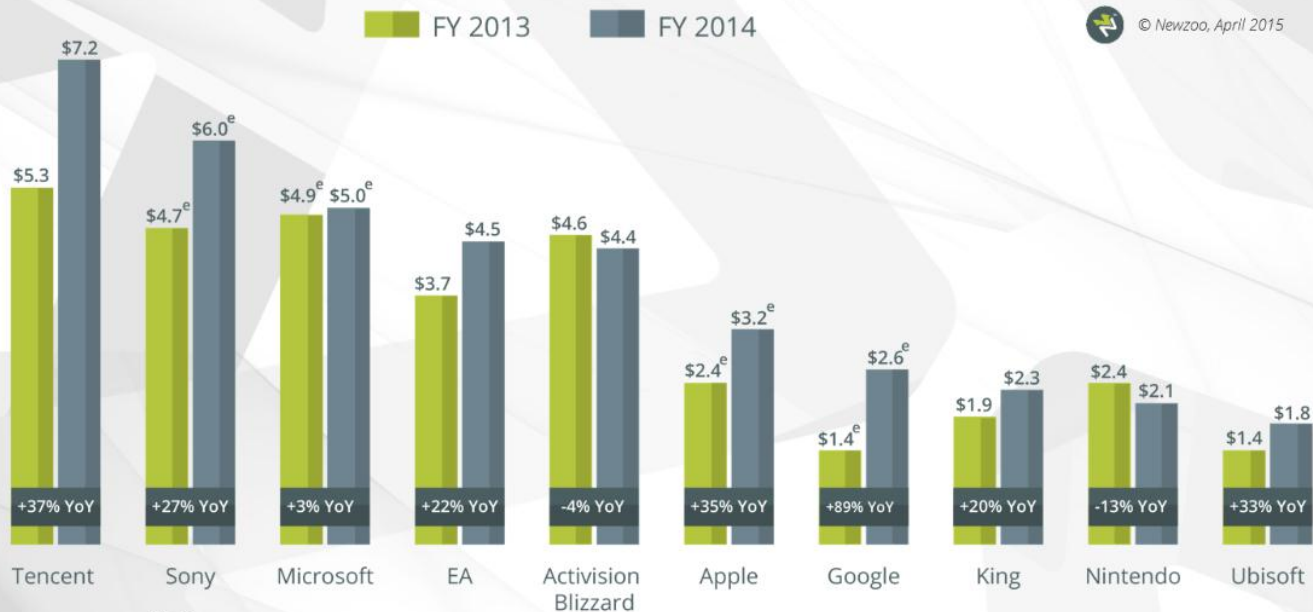


4. *Tencent* 腾讯 Strategic Relationship



Top 10 Public Companies by Game Revenues

Comparison of FY 2014 and FY 2013 Revenues (\$Bn)



© Newzoo, April 2015

Notes

1. Based on US GAAP revenues in Calendar year 2014 and IFRS for Tencent
2. Based on exchange rates as per 31/12/2014
3. e: Estimates of game revenues using quarterly earning reports in which these are not specifically segmented out.



Newzoo's Top 25 Public Companies
by Game Revenues Ranking:
www.newzoo.com/companyrankings



High Level Deal Structure

- Agreed to purchase 21 million shares of GLUU at \$6.00 per share
- Restrictions on owning more than 25% of Glu's outstanding shares
- 18 month lock-up
- Steven Ma, SVP of Tencent IEG, elected to Glu's Board of Directors



Expected Use of Proceeds

- Expanding and solidifying global celebrity gaming leadership
- Acqui-hires of proven studio teams
- Acquisitions of select game companies



Why Glu?

- Unique, systematic, diversified studio growth platform
- Turnaround with consistent learning/evolution
- Management quality
- Cultural fit
- Growth potential



5. 2015 Roadmap

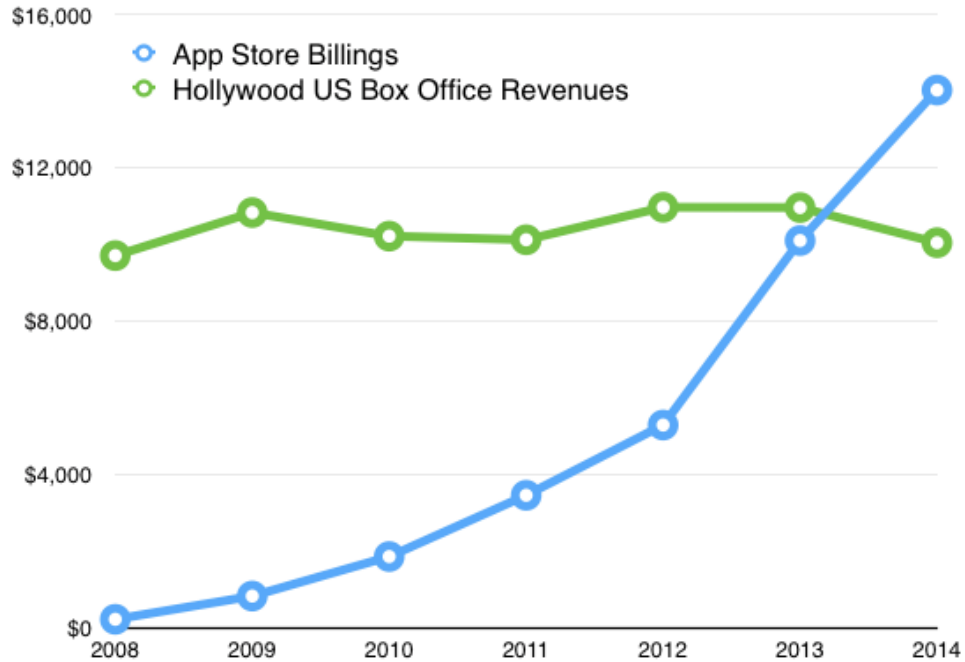


16 Launches in 2015

Q1	Q2	Q3	Q4
			
			
			
			
			
			
			
**Experimental pending results of testing metrics			



Hollywood Power



TERMINATOR

Trailer



Matt Nutt

VP & GM, Glu Long Beach





Social Play in Racing Rivals

May 14, 2015



Matt Nutt

VP and GM, Glu Long Beach



Today's Discussion

- #1 status driven by social/PvP
- Emergent play and community create long tail
- Social in upcoming titles



1. Racing Rivals and Social Play



#1 Racing Game on Mobile

- 44MM + installs
- Currently ~300k DAU
- Top Grossing Racing game for 15 months*



*Became top grossing racing title on U.S. App Store in February 2014. Solidified leadership position with Android launch in June 2014.

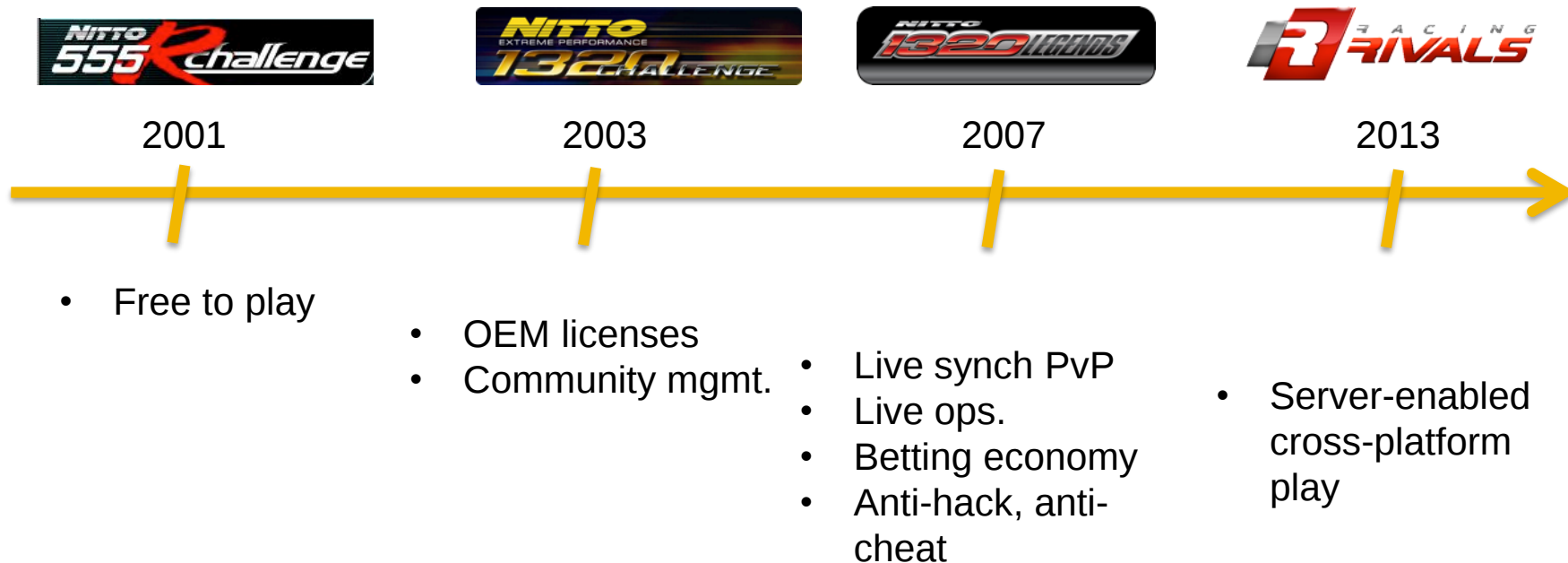


Racing Rivals' Unique Social Features

					
Live-synchronous multiplayer	✓				
Challenge lobbies	✓				
In-game betting	✓				
Cross-platform live synch play	✓				



14 Years of Specialization







TEAM MANAGER



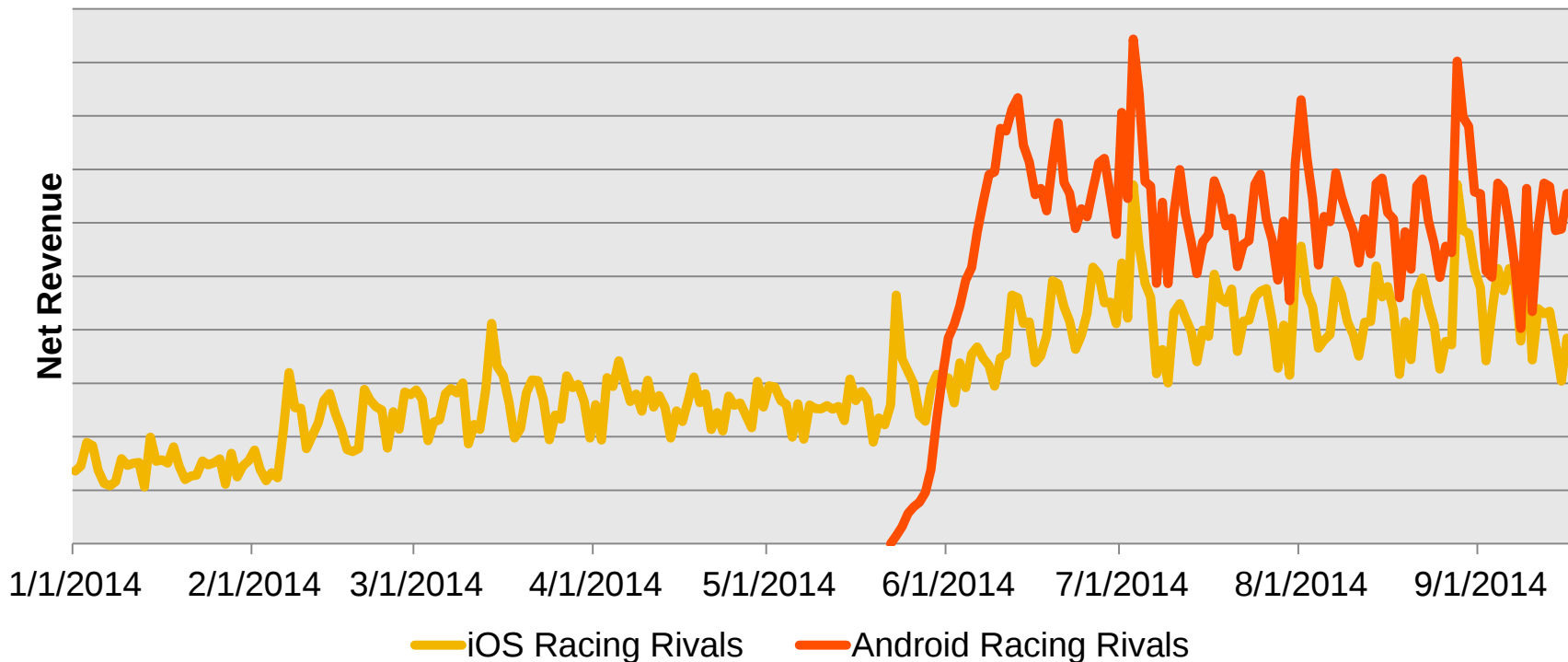
Ouch, you lost your car! You'll need to choose a car from your garage or buy a replacement for the one you lost.

OK

NEXT



Cross-Platform Raises All Ships



2. Emergent Play and Community



Emergent Play

- Skill matters, but “race” itself is simple, repetitive
- Like “League of Legends” or “Call of Duty”, PvP fuels community
- Much of the “game” happens outside of racing loop



► LIVE NOW!

TOP TEAMS WIN EXCLUSIVE CARS

WIN GEMS, CASH & THE

FORD FOCUS RS500



7-AUG
HONDA S2000 CR EVENT



8-AUG
CHEVROLET CORVETTE ZR1 EVENT



9-AUG
NISSAN EVENT



10-AUG
R CLASS SHOWDOWN





2.9783
2.9818
2.9744
2.9791

1883.2hp
MP712C

Tuned
Nit Modified
Rock Deluxe
Sports Sport
Lloyd Motorsports Dynamic
AR: Big Boss Modified
Winning Dura Made
727 Tuning Lightweight
Sports Performance
Auto Track
Motorsports Elite v
Rock Dura Made
Winning Dynamic

Chevrolet Corvette C6R

1. Turbocharger (+45)
2. Down Pipe (+26.9)+25
3. Up Pipe (+7.8)+8.9hp
4. Turbo Piping (+1)+5.8
5. Intercooler (+18.8)+23
6. Blowoff Valve (+1.9)+5
7. Throttle Kit (+0)+23.4hp
8. Manifold (+0.8)+21.5hp
9. Catalytic Converter (+1)
10. Headers (-15.5)+20.7hp
11. Valves/Pistons (+2.9)+42.9
12. Fuel System (+3.5)+33.4hp
13. Engine Head (+2.3)+26.9hp
14. Displacement (+5.3)+32.3hp
15. Crankshaft (+19)+34.9hp
16. Connecting Rods (+2.3)+14.5hp
17. Camshaft (+1)+7.8hp
18. Camgear (+1.2)+8.9hp



TEAMS

\$ 1,374
95



RPM

19/20 Members



Turf rewards: 1st \$20 iTunes! 2nd \$10 iTunes! 3rd \$5 iTunes!
From Jason 🤪!!! Again? (1st-Rami, 2nd-ZR1, 3rd Ford GT...
Jami)



LEADER

jen_jen032185

Level 250



CO-LEADER

HOPPY58

Level 250



CO

tunde5036

Level 166

[HOME](#)
[JUAL RR CASH](#)
[JUAL RR CARS](#)
[DATABASE RR ▼](#)
[TENTANG KAMI](#)
[KONTAK KAMI](#)

SELL RR CAR

Nama	Warna	Rating	Best Time	Power	Weight	Grip	Shift	Price
Mazda Furai	Hijau Hulk	1654	8.100	451	1,538	303	0.250s	BELI
Mazda Furai	Pink	1654	8.100	451	1,538	303	0.250s	BELI
Mazda Furai	Merah	1671	6.308	632	1,602	303	0.130s	BELI
Mazda Furai	Putih	1671	-	598	1,543	303	0.130s	BELI
Mazda Furai	Hijau Muda	1671	7.892	597	1,542	303	0.130s	BELI
BMW Z4 GT3	Putih	1652	10.697	508	2,624	136	0.350s	BELI
RWB Ramintra 993	Coklat	1678	9.898	765	1,867	188	0.130s	BELI
RWB Ramintra 993	Biru Muda	1671	10.164	711	2,043	125	0.190s	BELI
RWB Ramintra 993	Merah	1678	-	761	1,857	207	0.130s	BELI
RWB Ramintra 993	Biru	1678	-	762	1,867	207	0.130s	BELI
RWB Ramintra 993	Orange	1678	7.512	764	1,866	207	0.130s	BELI

Grand Opening Promo

5 Maxed MAZDA FURAI

For Cheaper Price



Contact Us

Add Facebook kami Gan, Respon Cepat, kita dapat saling berkomunikasi via Facebook :)





LIMITED TIME ONLY
MARCH 1ST - 9TH



GOOGLE PLAY
EXCLUSIVE

80% OFF BMW M3 GT2

CELEBRATING GOOGLE PLAY'S 3RD BIRTHDAY

PLAY NOW!



Community Management is Key

- Community is extension of our studio; we are active part of dialogue
- Deputized moderators supplement team, also evangelize products
- Customer Service & Community tip of the spear; enable Live Operations to act quickly (or not)



2015 Racing Rivals Player Council

“I am very much appreciative for GLU for blessing me with this opportunity and can’t wait to see the massive onslaught of awesome stuff they have down the pike for the Racing Rivals game. With the great team that is behind this game this franchise has many years left behind it to grow and continue on.”

- Brian G., webmaster of RacingRivalsUnderground.com



Deeply Engaged Community



**\$3.2 Trillion
Cash traded**



**56M Pink
Slips
traded**



**Average 73.4
minutes/day**



When Community = Game Content

- Permits a light/cheap content pipeline
- Permits focus on new feature development





One:1



HURACAN
INSTINCTIVE TECHNOLOGY





TOURNAMENT COMPLETE!
WINNER: *awYeaGlasses*

9,999

BOOSTS: OFF

1st Place 520,000

2nd Place 200,000



SUPERCHARGERS
ONLY

Player 20 characters



CHEVROLET
CAMARO

Disqualified

chipTASTic



NISSAN
G-TR R34

N/A

ERMagawd



FORD
MUSTANG GT

4.200s

awYeaGlasses



DODGE
CHALLENGER HELLCAT

4.180s

chipTASTic



4.600s

awYeaGlasses



4.200s

awYeaGlasses



4.200s

awYeaGlasses



WINNER

daT Chedda



4.200s

daT Chedda



4.400s

suchMagestic



4.600s

daT Chedda



4.200s

CHEVROLET
CAMARO

come at meh Bro!

NISSAN
G-TR R34



FOULED

AndyAndyandy



FORD
MUSTANG GT

4.180s

suchMagestic



DODGE
CHALLENGER HELLCAT

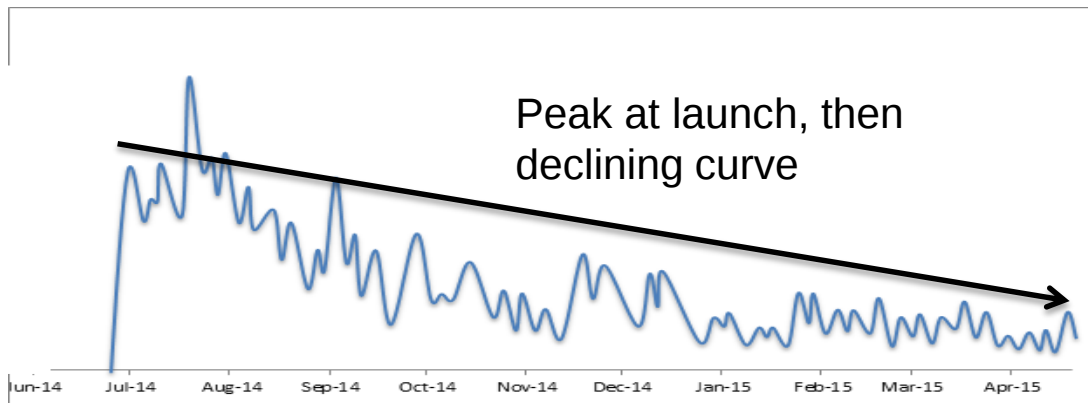
4.200s

LEAVE

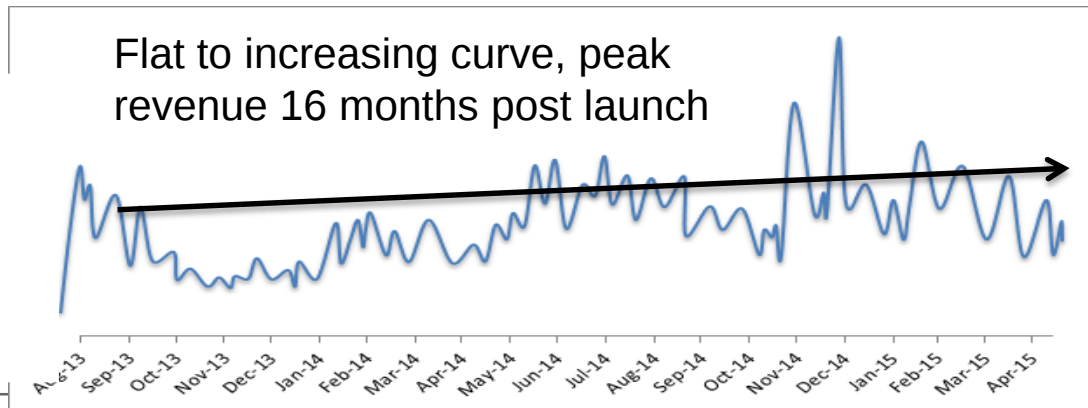


Strong Social = Long Tail Revenues

Typical
mobile
game



VS.



Staying Power: Top Grossing in Racing for 15 Months

1. Racing Rivals vs. Zynga's CSR Racing Top Grossing iPhone Apps



Source: SensorTower



Foundation for Staying Power in Top Grossing



=

Long Tail
Revenues



3. Social in Upcoming Titles



MIX MOTOCROSS
RIVALS
WITH TRAVIS PASTRANA



- Same social features as Racing Rivals, with
- More arcade-style racing = broader audience





**WOW, SO UI**
LVL: 99



**RACE FUEL:**
99/99



**\$ 9,999,999,999**
 **9,999**











ENGINE
0%
DAMAGE

KTM 1290 SUPER
CLASS C // 450 cc

BIKE LOST TO PINKS!



POWER
375

WEIGHT
999 LBS.

HANDLING
113

DURABILITY
263

TRACTION
24

**SPAIN**
TURF WARS
2d 23h 59m


2d 23h 59m

**10**
EXCLUSIVE ITEMS!



**SHOWROOM**

**INVENTORY**

**RM-450**

**SELL BIKE**

**REPAIR**

**UPGRADE**

**CUSTOMIZE**

 **2d 23h 59m**
REPLACE BIKE
 **9,999**





<Working Title>





85M installs



10M installs











CATALOG

230/500



Sort by: Top Speed



Search



OWNED: 3



OWNED: 1



OWNED: 24



OWNED: 5



OWNED: 2



OWNED: 1



OWNED: 8



OWNED: 2



OWNED: 1



OWNED: 1



OWNED: 12



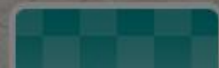
OWNED: 2



OWNED: 8



OWNED: 2



Thank you



Chris Akhavan

President of Publishing



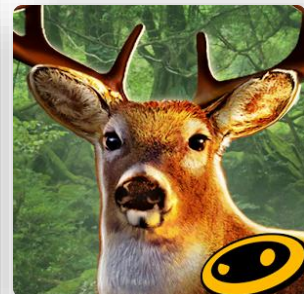
User Acquisition & Monetization Trends

Chris Akhavan, President of Publishing



Agenda

1. Total ARPMAU Growth
2. Low User Acquisition Cost
3. Advertising ARPMAU Growth



1. Total ARPMAU Growth



AUDIENCE



ORGANIC INSTALLS

Featuring
Chart Positioning
Search

PAID INSTALLS

50+ Channels
Facebook
AdColony
Etc

G
L
U

G
A
M
E
S

SYSTEMS



G.U.T.S.

Game
Analytics

Real-time

VISUALIZATION



UA

PM

LIVE

ACTIONABLE OUTPUTS



Smart marketing spend
Lower CPIs
Maximize ROI

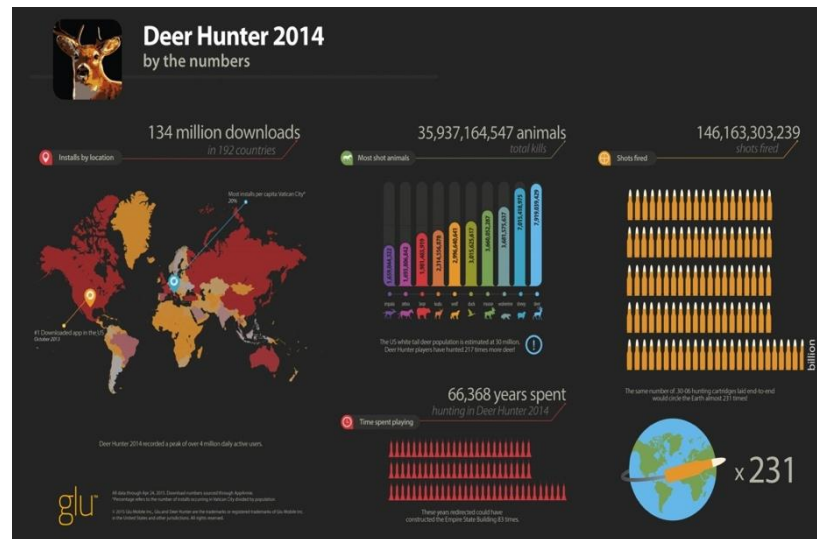
Higher engagement
Increased conversion
Higher LTVs
Insights for future titles

Installs, DAU, Revenue
Game uptime
Live events

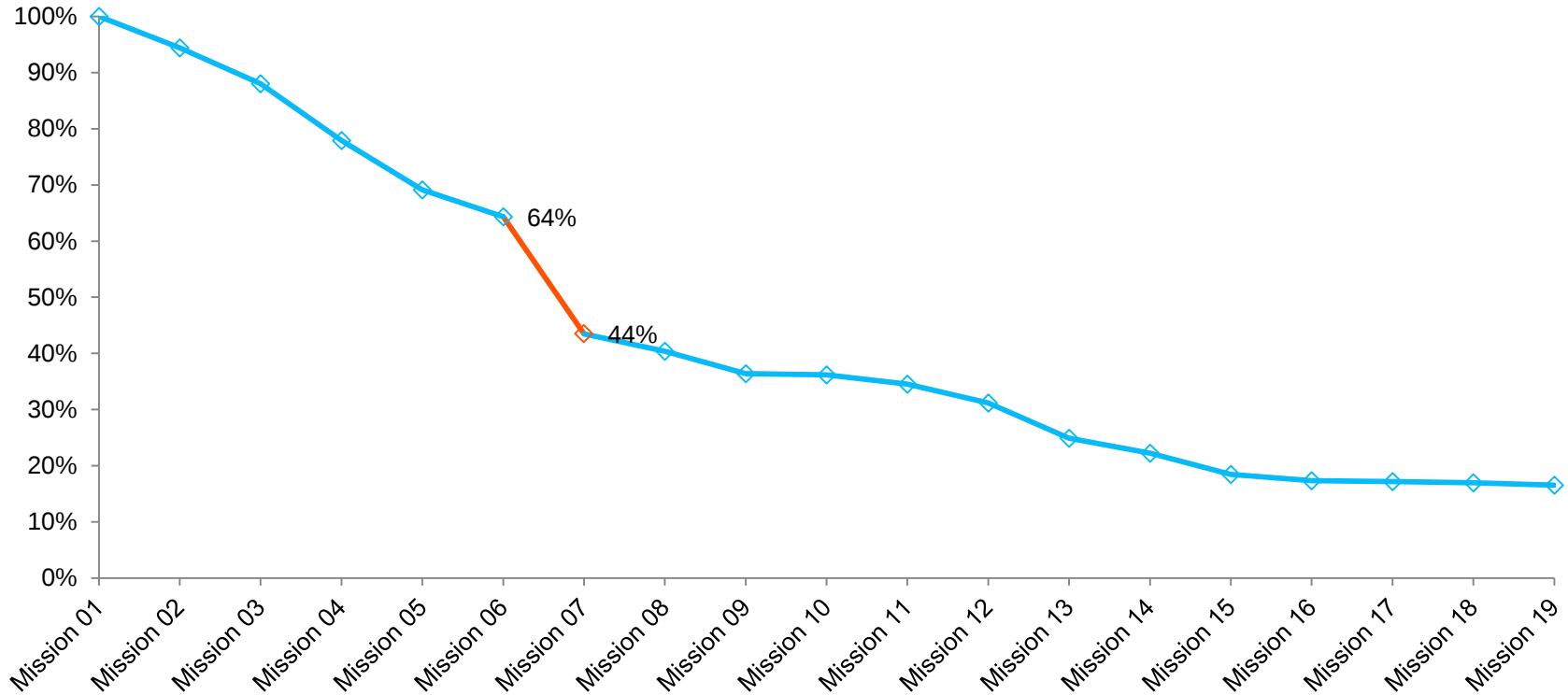


Glu Analytics Capabilities

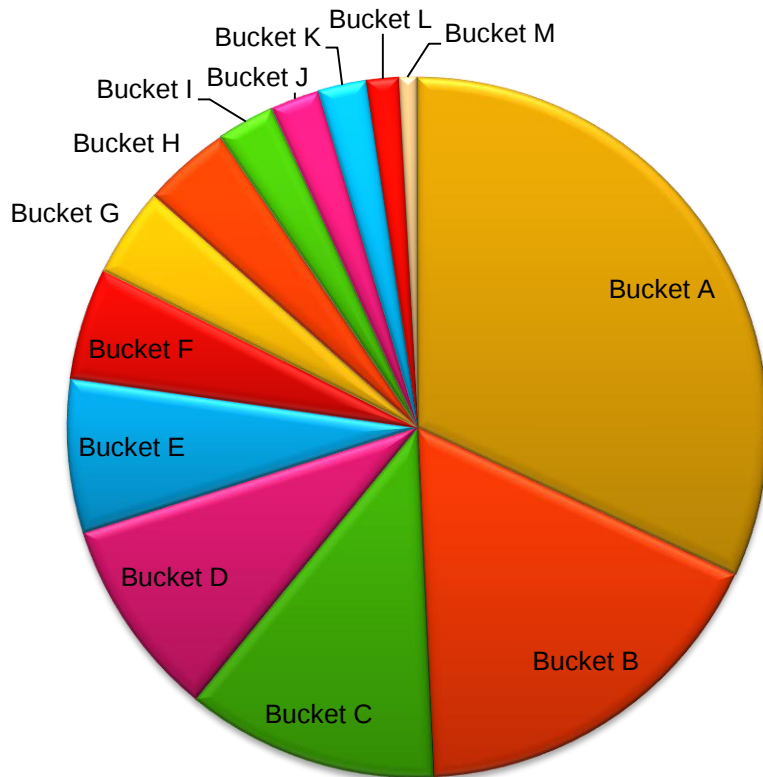
- 70 million events / second scale
- 2 trillion events for on-demand analysis
- Unlimited permanent capacity
- Ingesting 2 billion events / day



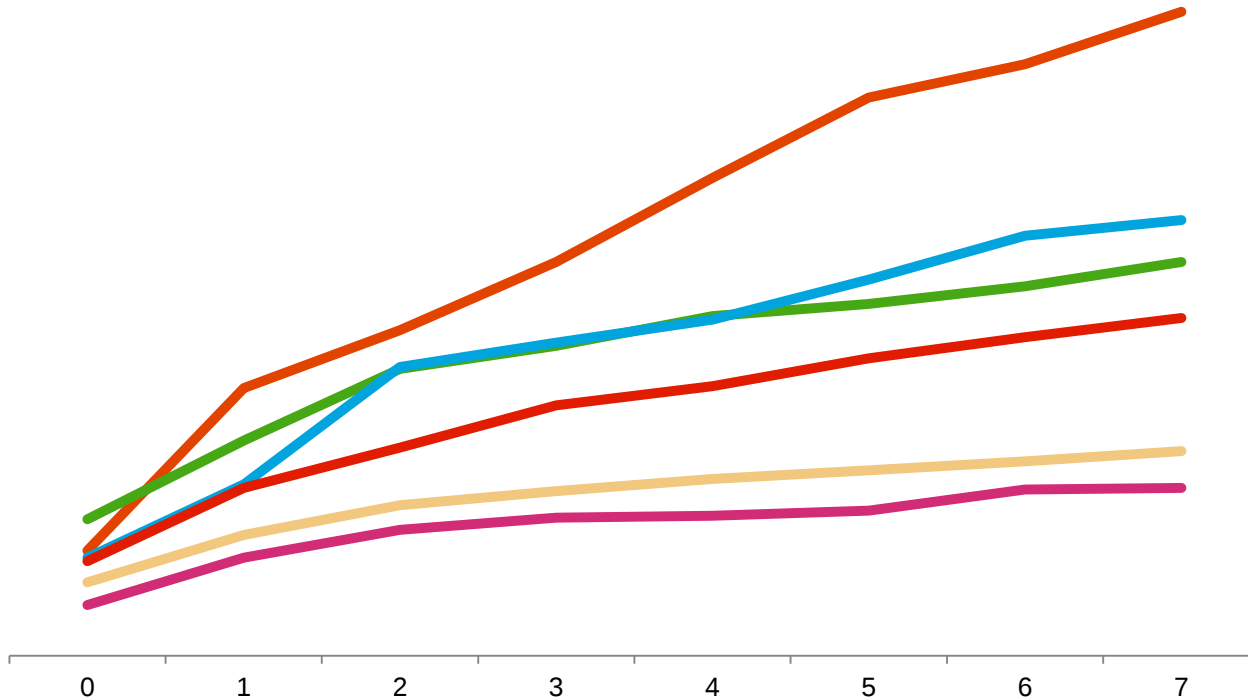
Funnel Analysis



Economy Distribution



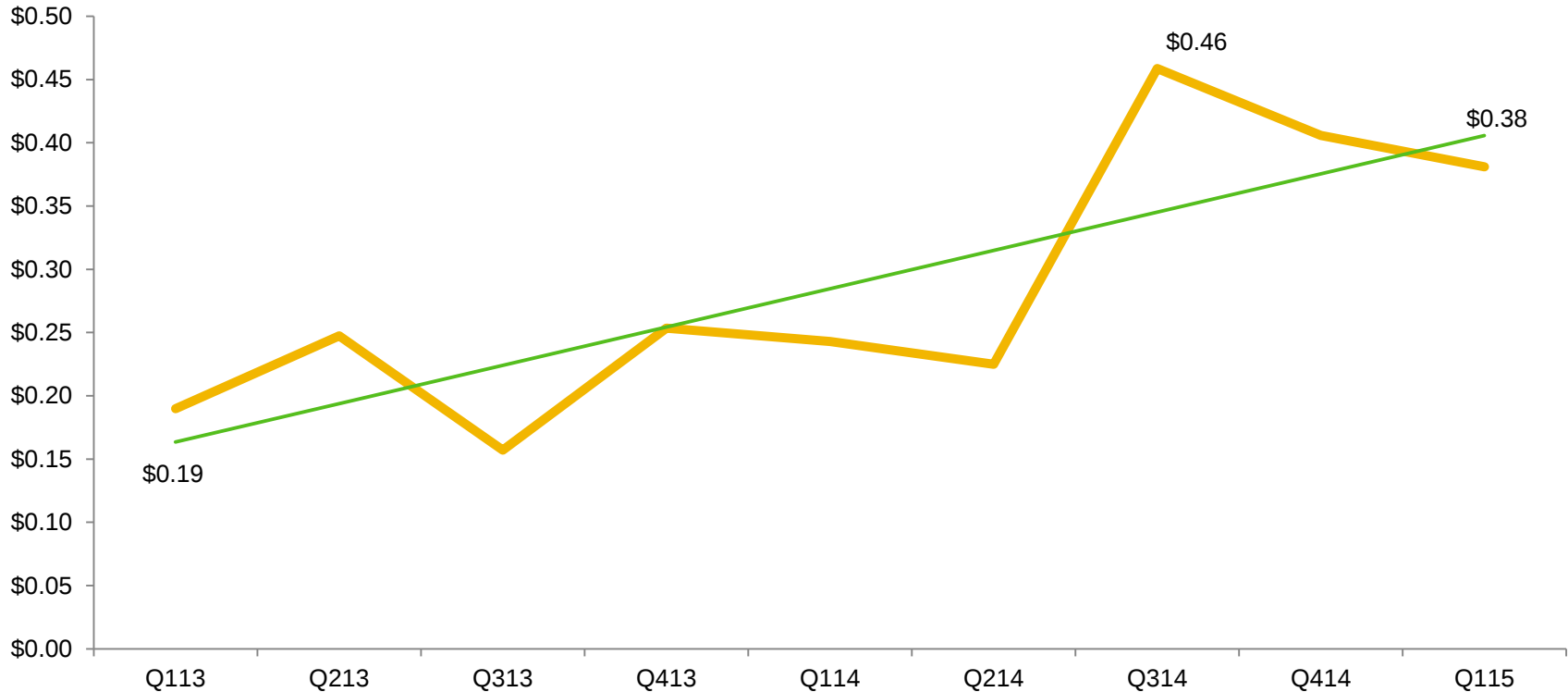
Cross Portfolio Analysis



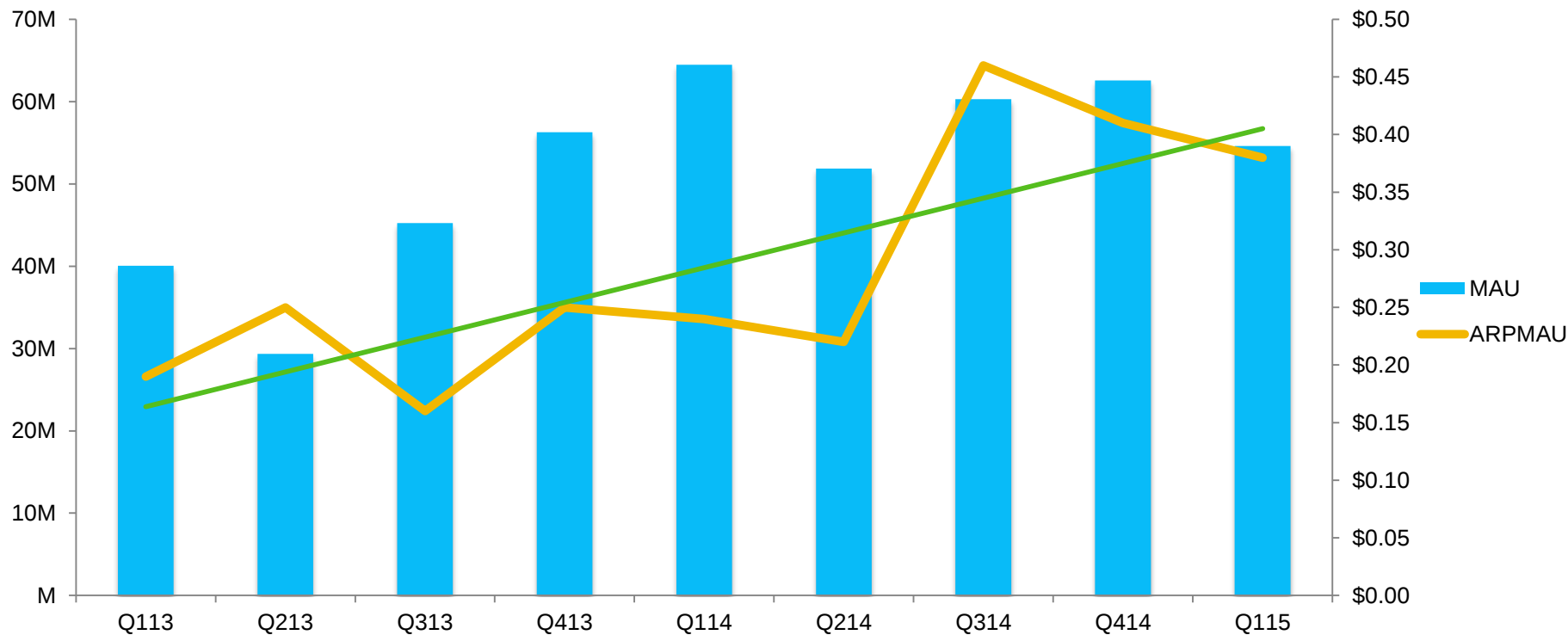
Segmentation



Total Glu ARPMAU



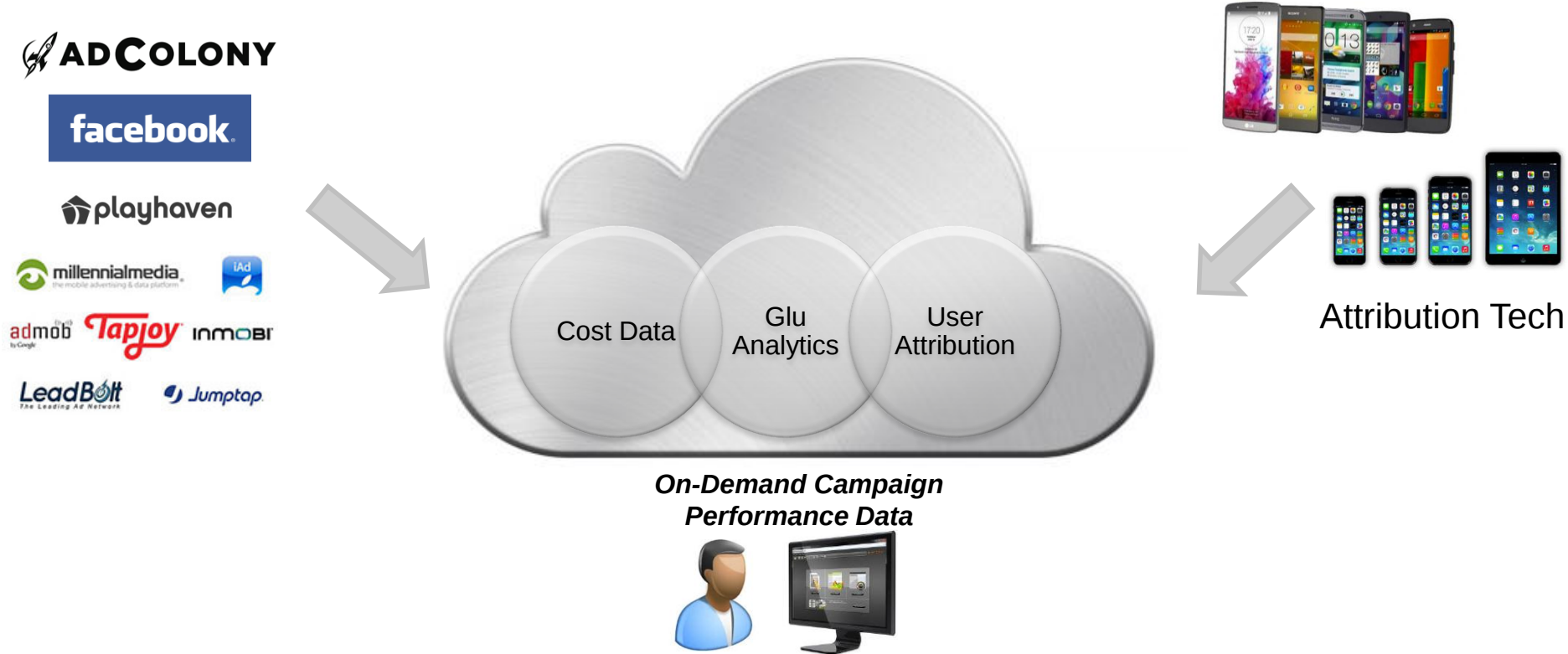
MAU & ARPMAU



2. Low User Acquisition Cost

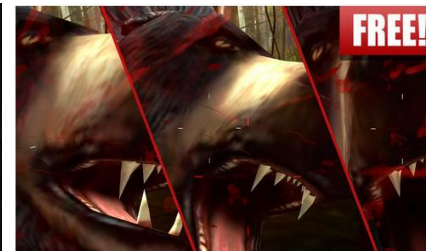
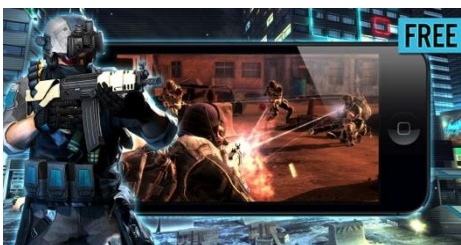


G.U.T.S. System Overview



App Creative – Data (not opinions) pick the winner

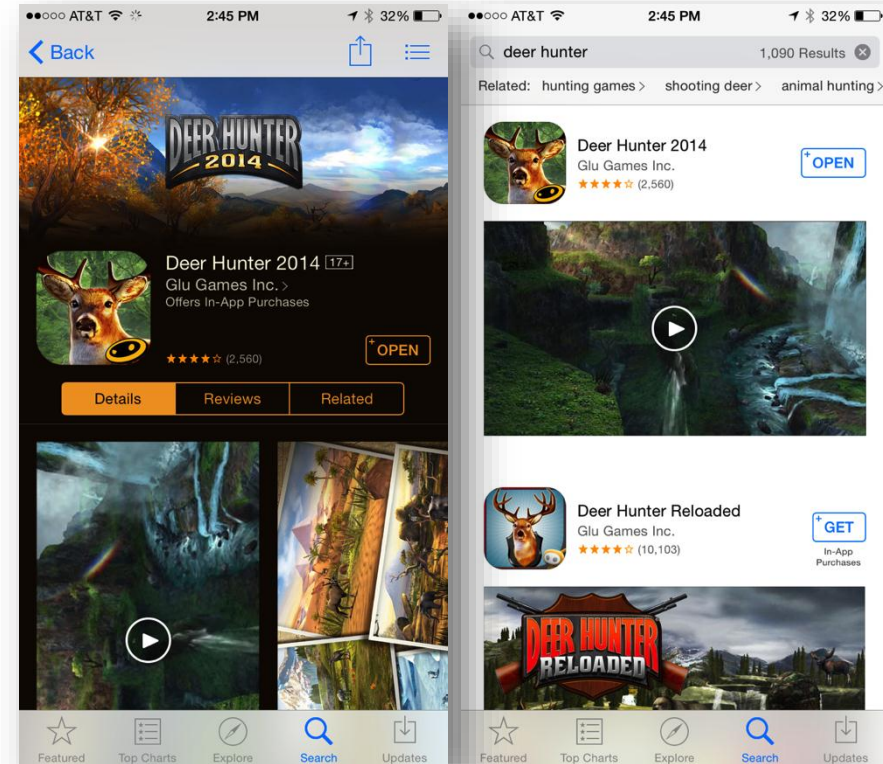




App Store Optimization (ASO)

Test, Measure, Optimize, Repeat

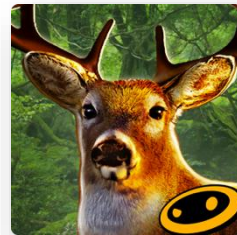
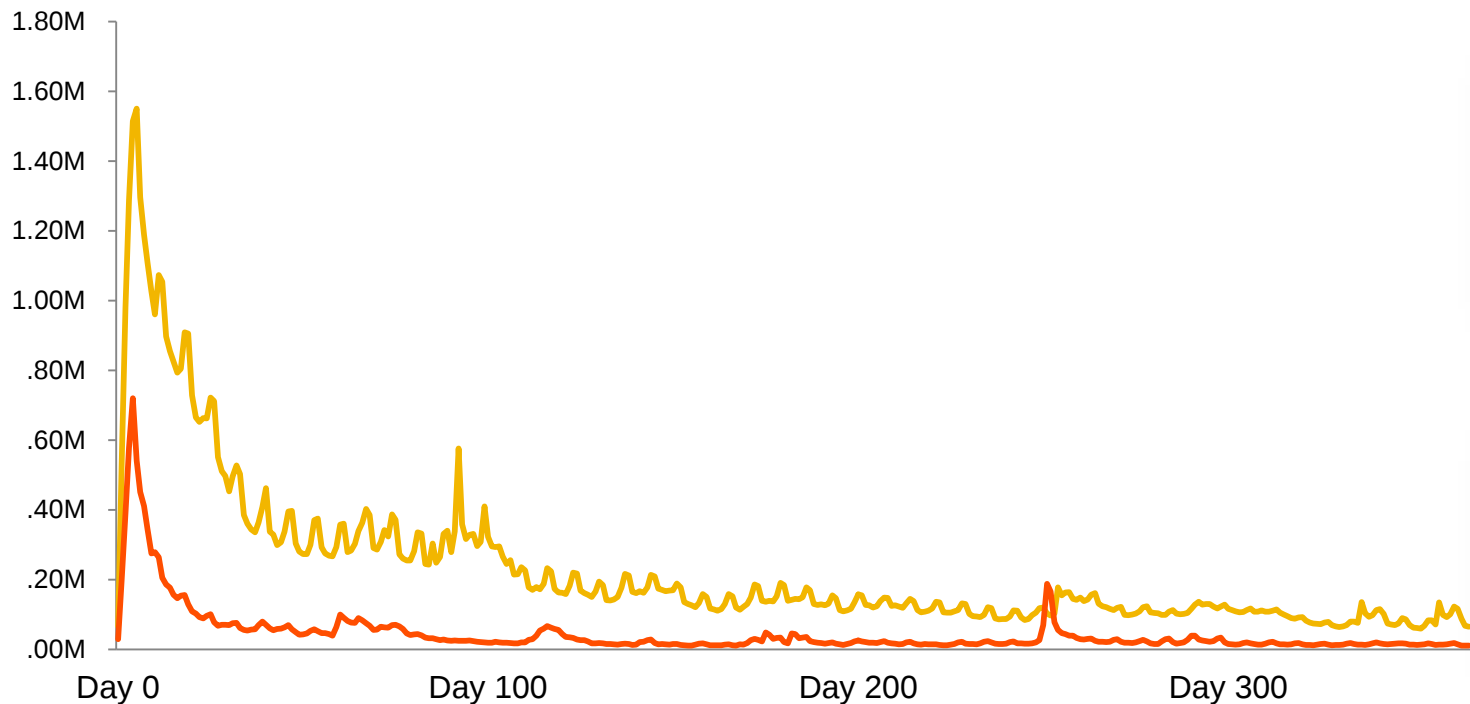
- App Icon
- App Title
- Screenshots & Video Trailer
- Description & Keywords
- App Store Category
- Ratings & Reviews



Cross-Promotion



DH14 vs. DHR – Installs



DH14

DH:R





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Search



Fiksu sees mobile CPI increases



NEWS

EVENTS

INSIGHT

By [Dan Pearson](#)

[f Recommend](#)

0



FRI 19 SEP 2014 1:45PM GMT / 9:45AM EDT / 6:45AM PDT

[MOBILE](#) [INSIGHTS](#)

Incentivised installations still important for Apple platforms

New data from mobile ad platform Fiksu indicates that the cost per install (CPI) of both Android and iOS games is increasing, with Android costs still well above those on Apple's mobiles.



That discrepancy, says Fiksu, is at least partly down to the impact of incentivised installations - a major factor on iOS, but far less important on Android. With CPI for Android games at around \$1.50, they remain around \$.50 more expensive than those for iOS - a significant margin, especially when working with free-to-play.

"Fiksu's Cost per Install Index measures the cost per app install directly attributed to advertising," says the firm. "For the month of August, CPI for Android games rose 4 per cent to \$1.55, while CPI for iOS games rose 16 per cent to \$1.15. It's important to note that this index includes low-cost incentivized downloads, which are important on iOS but not significant on Android. As a result, overall CPI on iOS is lower in this metric."

Channels

Newsletters

Got news? Tell us!



MOBILE WALLET SECRETS
THINK YOU KNOW MOBILE WALLET? THINK AGAIN!

FREE

Mobile

Mobile app developers get whipsawed by rising marketing costs in April



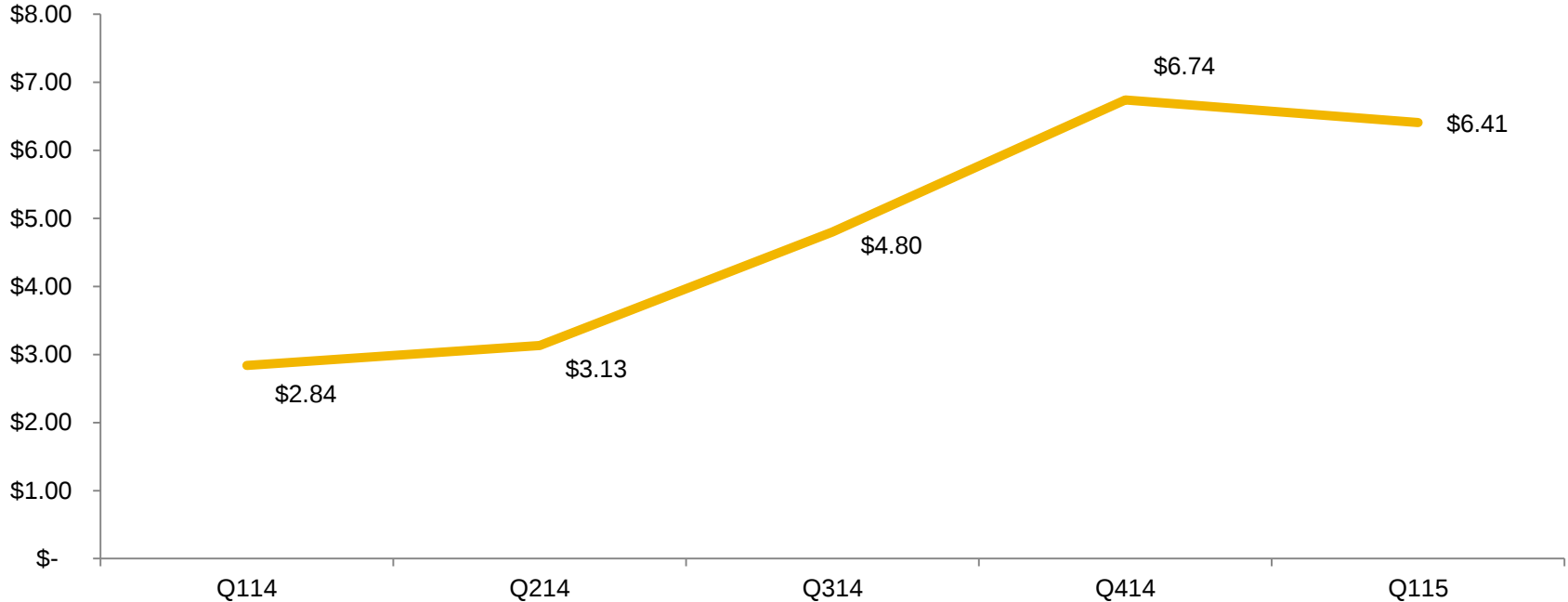
Above: The agony of the costs of mobile user acquisition.
Image Credit: Shutterstock

May 30, 2014 5:00 AM
Dean Takahashi

Oh, the agony of mobile marketing costs. App marketing costs rose in April as mobile app developers poured more money into acquiring new users on mobile devices, according to a [report](#) by mobile marketing firm Fiksu.



Ampush CPI Index

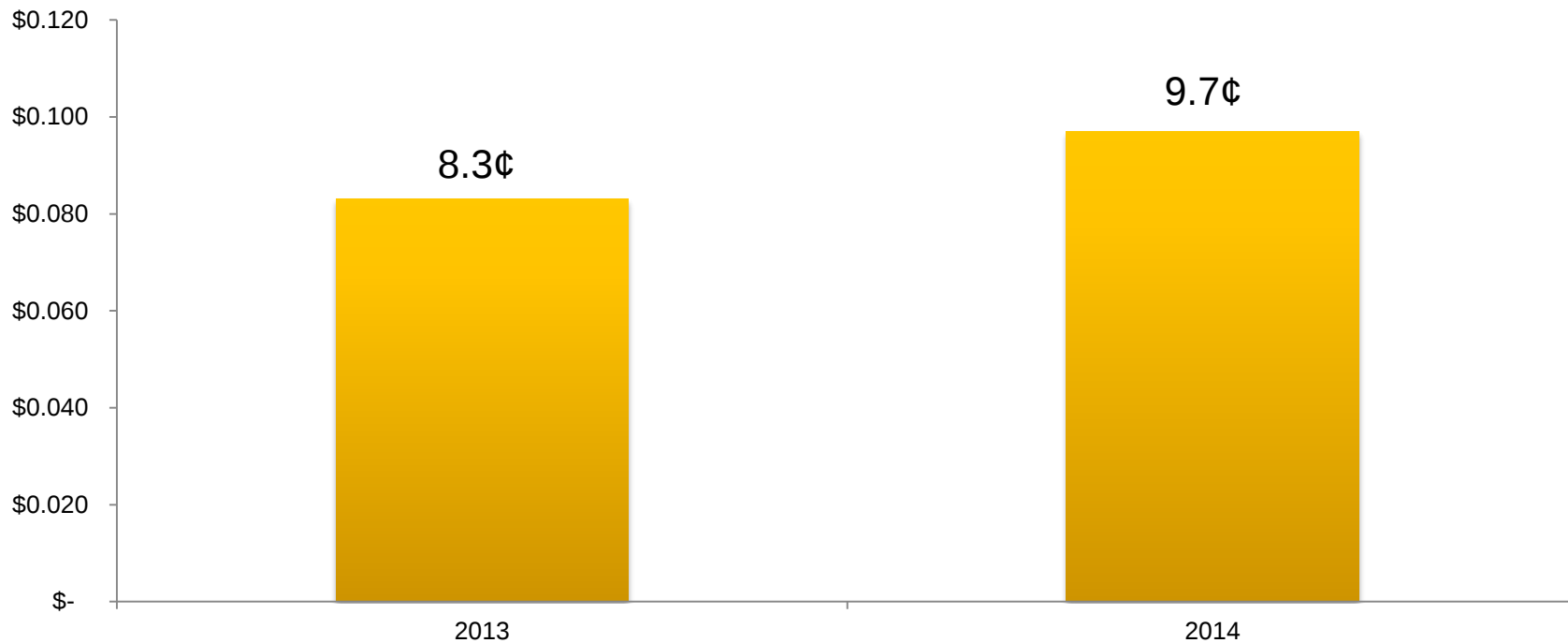


Ampush - The State of Mobile Social Advertising - Q1 2015 <http://download.ampush.com/state-mobile-social-advertising-q1-2015>



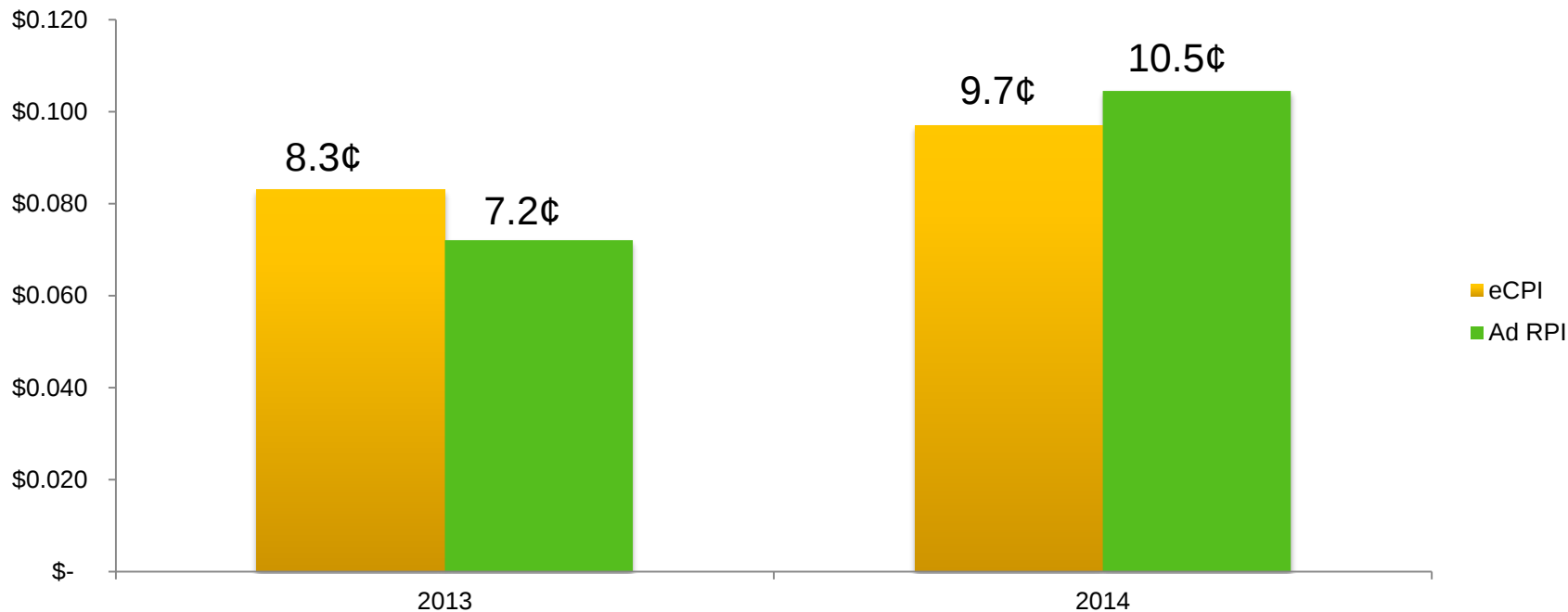
Glu eCPI

(Total Spend / Total Installs)



Glu eCPI & Ad RPI

(Total Spend / Total Installs & Total Ad Rev / Total Installs)



KK:H - May Campaign



Ongoing UA



TV Ad



Social
Influencer
Campaign

May 8th – May 24th



TALENT SUPERMARYFACE

BIO
SuperMaryFace, or Mary, is an Australian influencer living in LA. She posts a wide variety of videos featuring everything from product reviews to cosplay. She enjoys anime, dressing up in costume as different characters, and vlogging to her fans.

(Click icon to link)

- YOUTUBE SUBSCRIBERS** 129K+
- YOUTUBE VIEWS (LIFETIME)** 8MM+
- FACEBOOK PAGE LIKES** 9.5K+
- TWITTER FOLLOWERS** 25.6K+
- INSTAGRAM FOLLOWERS** 40.7K+

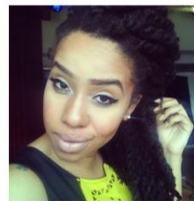


TALENT JASMINE BAKER

BIO
Jowlezy is out to remind you about the other side of natural hair, while inflecting insights of culture and intelligence into conversations on beauty and hair care. Always honest and with a good dash of wit, Jowlezy has cultivated a steadfast following on YouTube of women who enjoy her fresh personality, well-read snark and cultured confidence. With a diverse base of women of color who span from 18-60+ years old, Jowlezy connects with a wide range and pushes the conversation past beauty to spark

(Click icon to link)

- YOUTUBE SUBSCRIBERS** 131.9K+
- YOUTUBE VIEWS (LIFETIME)** 7.2M+
- FACEBOOK PAGE LIKES** 35.4K+
- TWITTER FOLLOWERS** 6.8K+
- INSTAGRAM FOLLOWERS** 29.7K+



TALENT PEWDIEPIE

BIO
PewDiePie aka Felix Kjellberg has the most subscribed channel on YouTube. Though originally from Sweden, Felix commands a global audience based primarily in the United States, a passionate fanbase composed of both gamers and non-gamers alike. PewDiePie is known for the shrieks of fear and joy that characterize his imaginative gameplay, normally of horror games. Additionally, PewDiePie occasionally vlogs - much to the delight of his female viewers.

(Click icon to link)

- YOUTUBE SUBSCRIBERS** 34.4M+
- YOUTUBE VIEWS (LIFETIME)** 7.8B+
- FACEBOOK PAGE LIKES** 5.86M+
- TWITTER FOLLOWERS** 5.2M+
- INSTAGRAM FOLLOWERS** 3.5M+
- VINE FOLLOWERS** 1.1M+

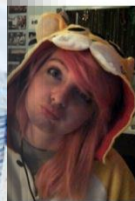


TALENT FARAH DHU

BIO
Farah is a beauty guru from Toronto, Ontario. She posts amazing makeup tutorials and DIY hair tips. She also features and reviews beauty products. Her subscribers especially enjoy her celebrity inspired beauty tutorials with Taylor Swift and Beyonce as a few examples of note.

(Click icon to link)

- YOUTUBE SUBSCRIBERS**
- YOUTUBE VIEWS (LIFETIME)**
- FACEBOOK PAGE LIKES**
- TWITTER FOLLOWERS**
- INSTAGRAM FOLLOWERS**

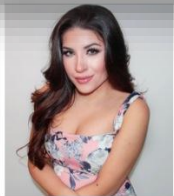


TALENT JESSICA HARLOW

BIO
Jessica Harlow enjoys helping viewers look and feel their best. In her everyday life, she likes to keep things simple but every now and then she experiments with different looks and styles. Her favorite looks are timeless. She enjoys making motivational videos weekly where she shares advice she has found helpful. That being said, her primary focuses are beauty tutorials, fashion advice, and shopping hauls.

(Click icon to link)

- YOUTUBE SUBSCRIBERS** 655.7K+
- YOUTUBE VIEWS (LIFETIME)** 79.9M+
- FACEBOOK PAGE LIKES** 518K+
- TWITTER FOLLOWERS** 40.8K+
- INSTAGRAM FOLLOWERS** 112K+



BIO
Strabury17 is a YouTuber, blogger, comedian, gamer, singer-songwriter, and internet personality. Her channel LifeBurry was started in 2010 as a place for her to post her daily blogs.

(Click icon to link)

- YOUTUBE SUBSCRIBERS** 866K+
- YOUTUBE VIEWS (LIFETIME)** 83.5M+
- TWITTER FOLLOWERS** 195K+
- INSTAGRAM FOLLOWERS** 383K+





ENTERTAINMENT
TELEVISION

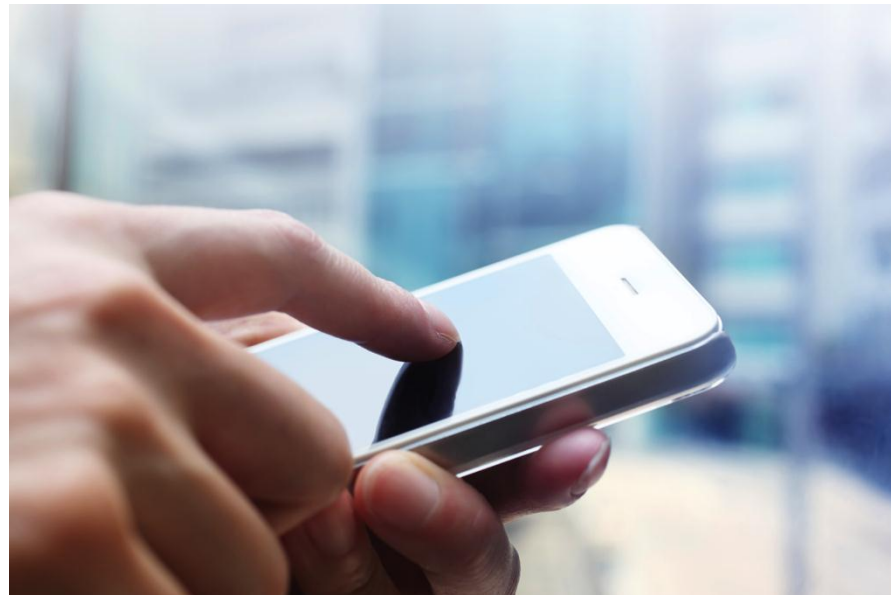


3. Advertising ARPMAU Growth

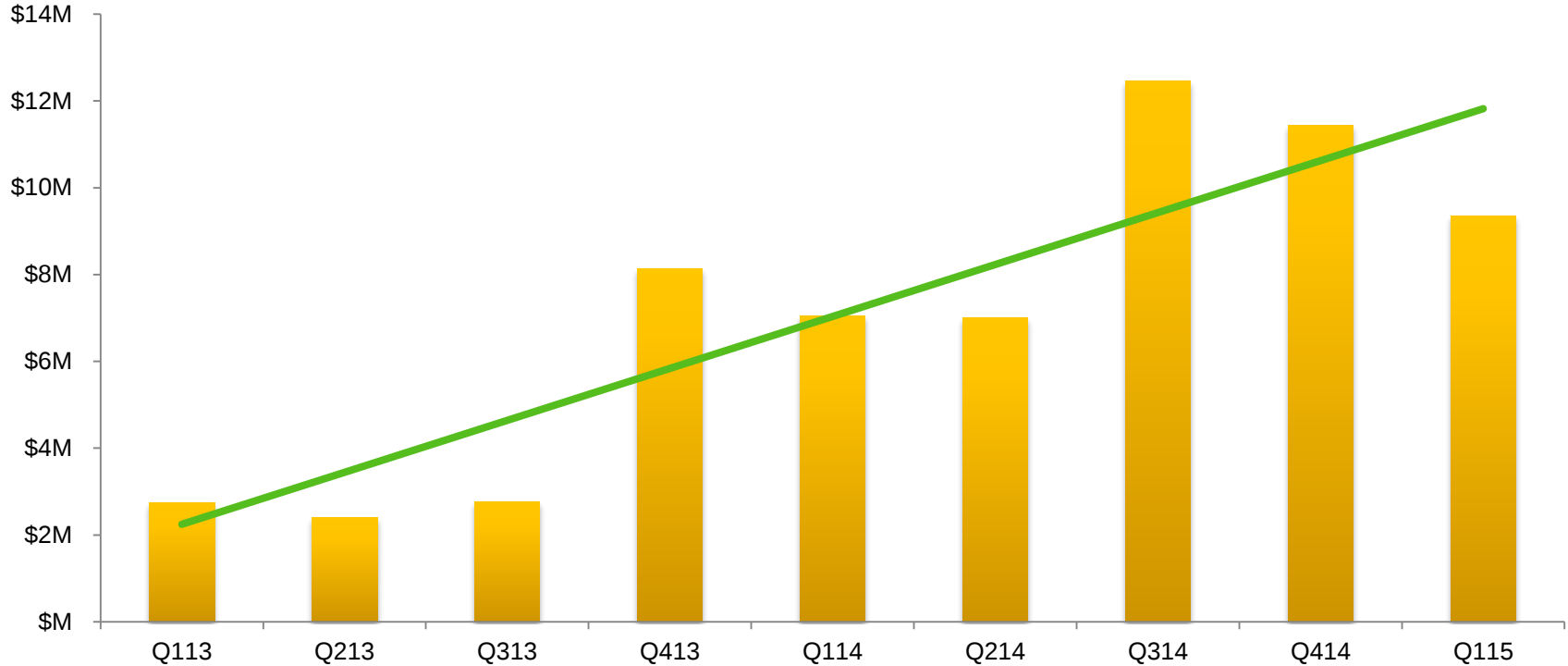


Ad Revenue Growth

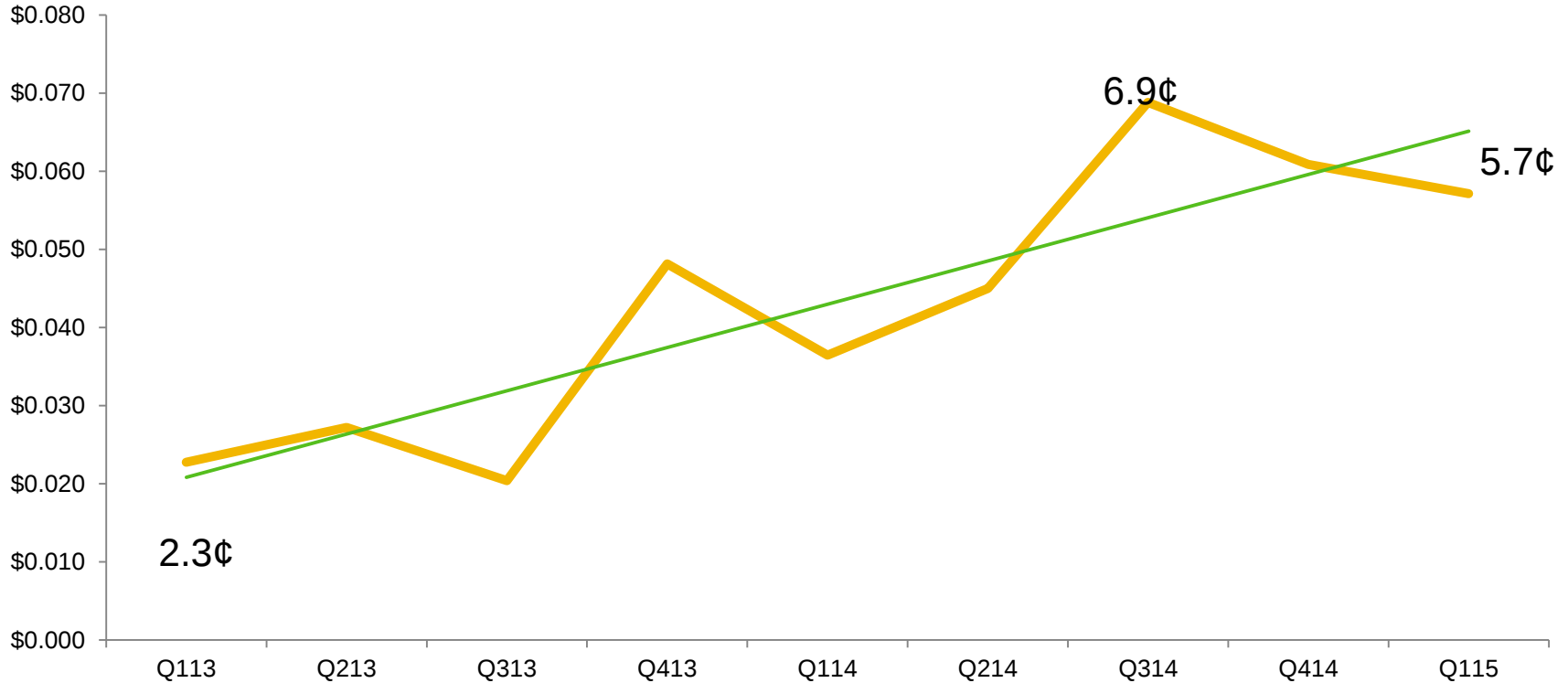
- Video
- Mediation
- Segmentation
- Preferential Terms



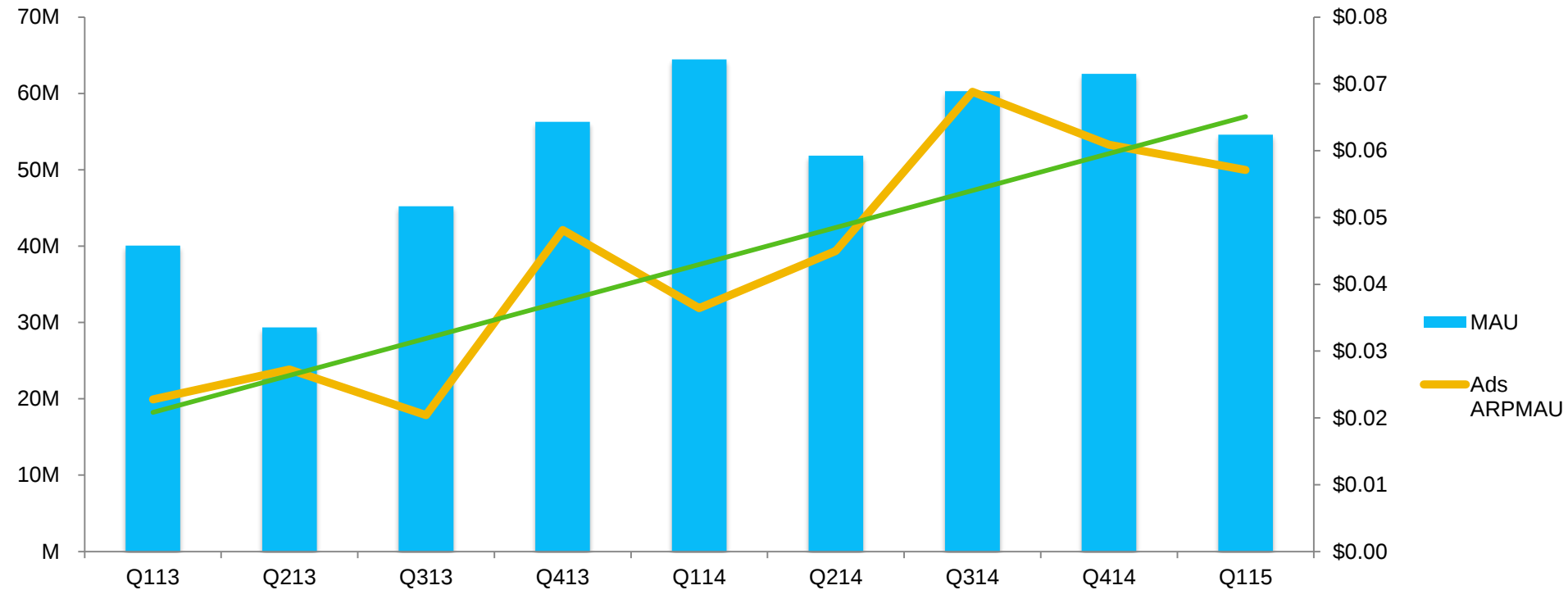
Ad Revenue Growth



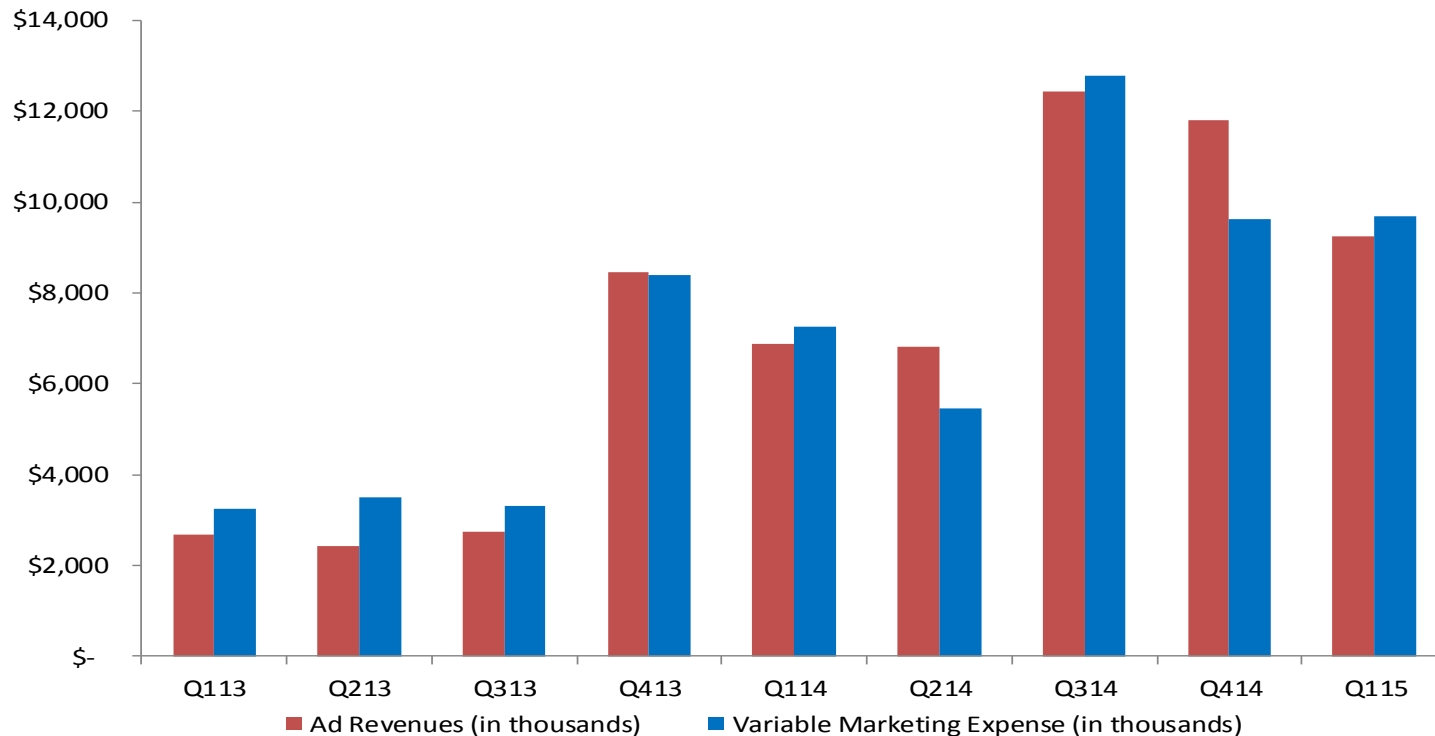
Advertising ARPMAU



MAU & Ads ARPMAU



Ad Revenues Hedge Against UA Cost



Summary



Pillars of growth

- ✓ MAU Growth
- ✓ Low User Acquisition Cost
- ✓ Consistent Advertising ARPMAU Growth
- ✓ Consistent Total ARPMAU Growth



Partner Testimonials



The Growth Opportunity



Disclaimer

The purpose of this presentation is to share with you our thinking on potential growth opportunities. We put numbers next to these outlooks to illustrate what we believe we can achieve if we are able to execute successfully. This presentation should not be treated as a forecast, projection or financial guidance. These are structural scenarios. We cannot assure you that we will be able to accomplish any of these opportunities, plans or metrics, all of which are subject to risks and uncertainties, known and unknown, including, but not limited to risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.



Agenda

1. Strong Macro
2. Core Franchises
3. Celebrity Platform



1. Strong Macro



Smartphone Adoption Continues Apace

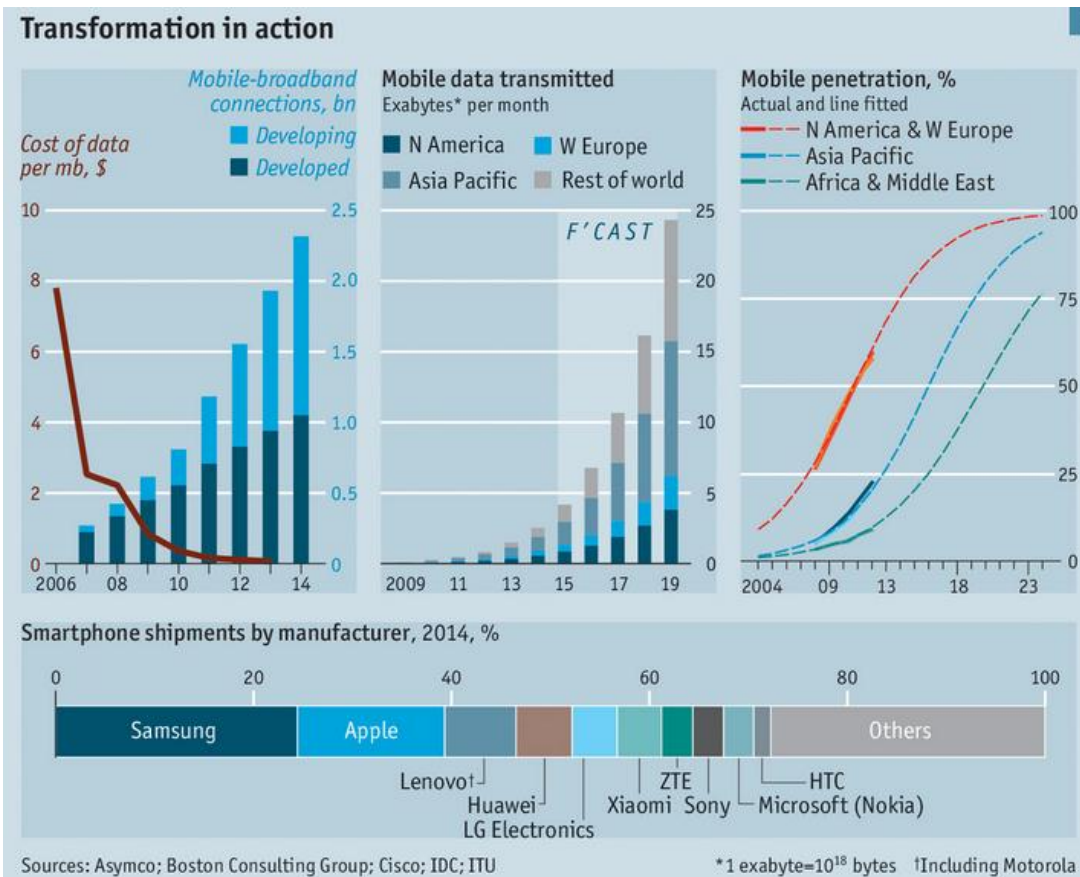
Total Smartphone Connections

2009: ~0.6B

2014: ~2.3B

~4x Growth in installed base

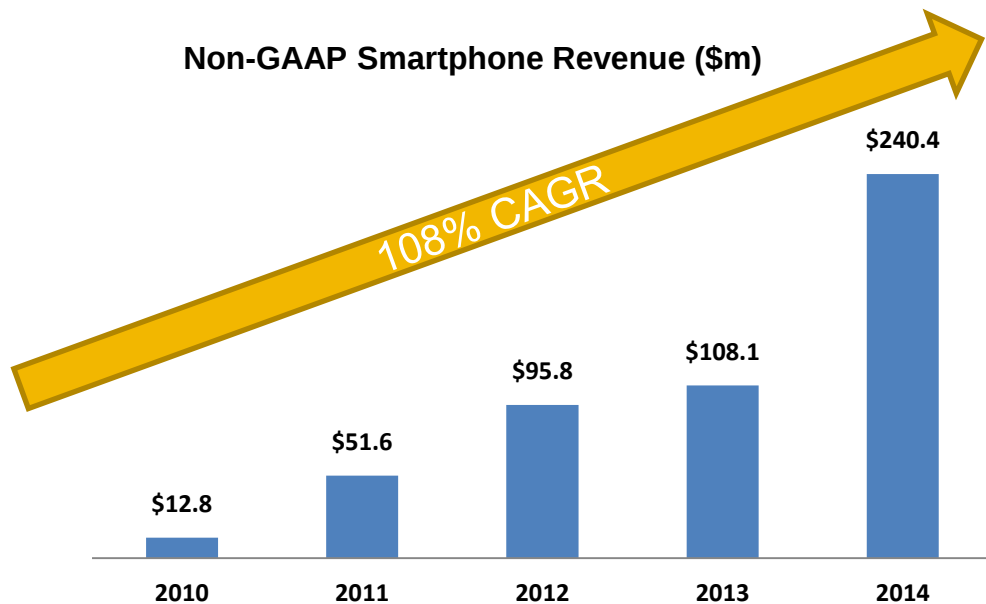
By 2020 expect ~4B smartphones



Source: The Economist: Week of Feb 28-Mar 6, 2015



Smartphone Adoption Expected to Nearly Double by 2020



- Glu has grown non-GAAP smartphone revenue ~20x
- While overall market penetration grew ~4x
- By 2020 expect smartphone penetration ~2x today

Non-GAAP revenues have been restated or revised, as appropriate, to reflect gross accounting for digital storefronts for 2010, 2011, 2012 and Q113 and prospectively, as outlined in the Company's 8/6/2013 Form 8-K and press release



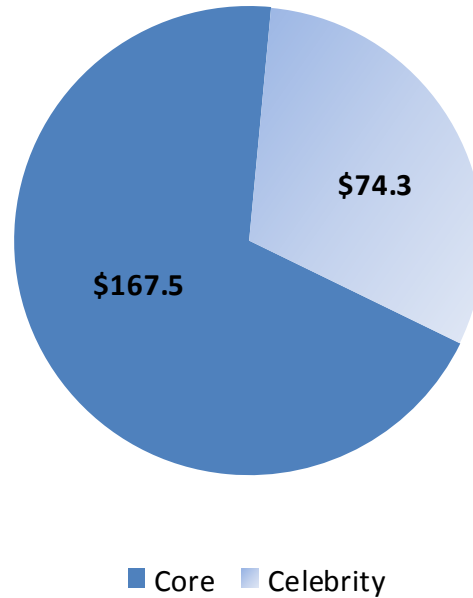
Glu Specific Growth Pillars

1. Core Franchises
2. Celebrity Platform



Where Are We Today?

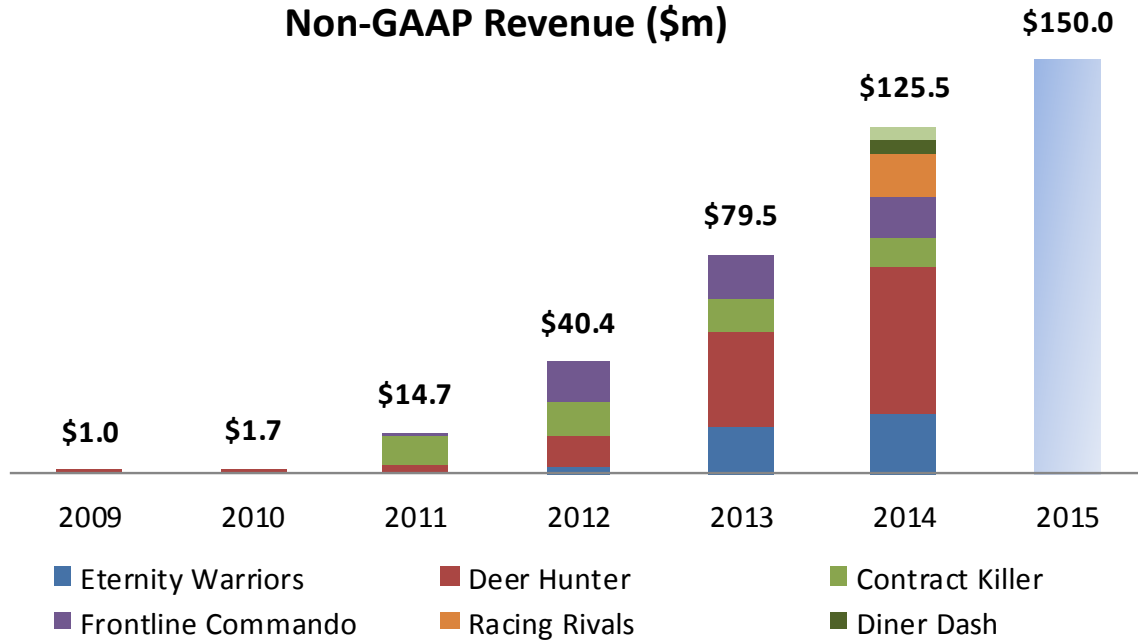
2014 Non-GAAP Revenue: \$241.8 Million



2. Core Franchises



Franchise Growth



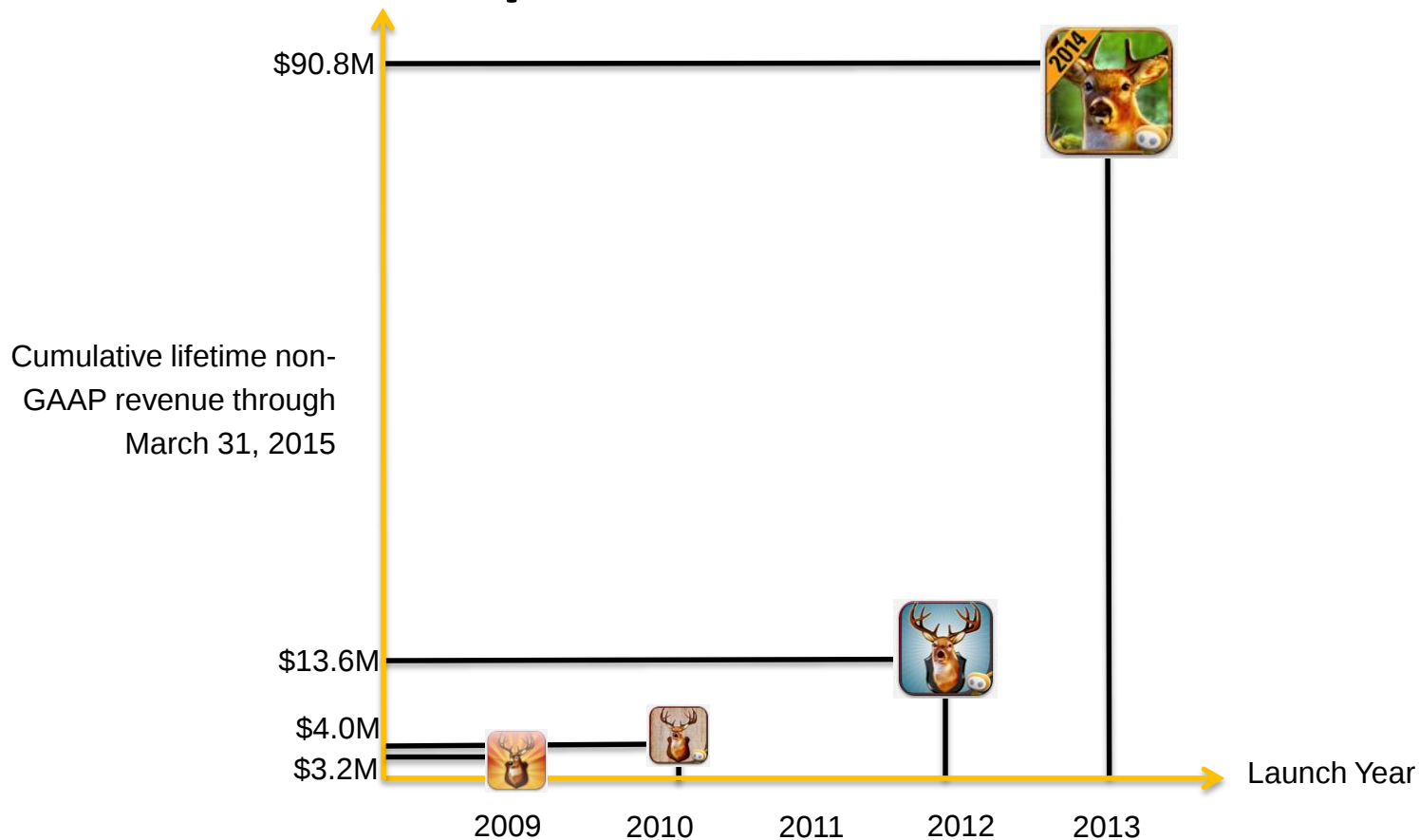
- Strong additions in 2014:



Non-GAAP revenues have been restated or revised, as appropriate, to reflect gross accounting for digital storefronts for 2010, 2011, 2012 and Q113 and prospectively, as outlined in the Company's 8/6/2013 Form 8-K and press release

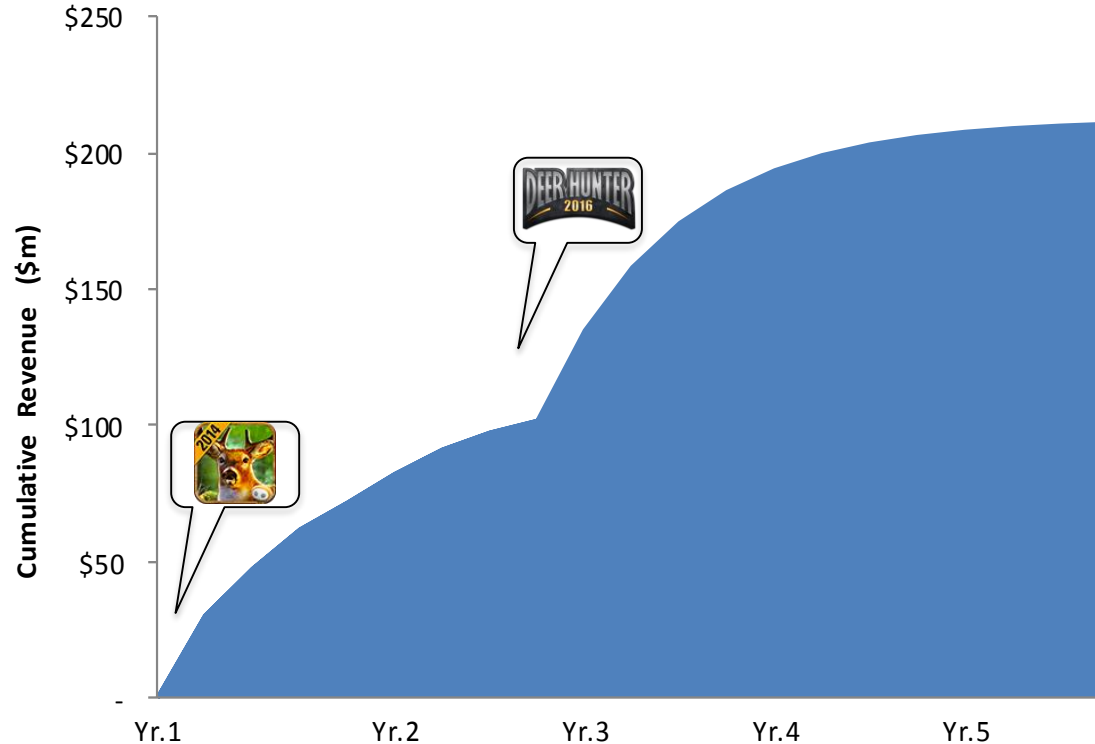


Example Franchise Over Time





Extrapolation

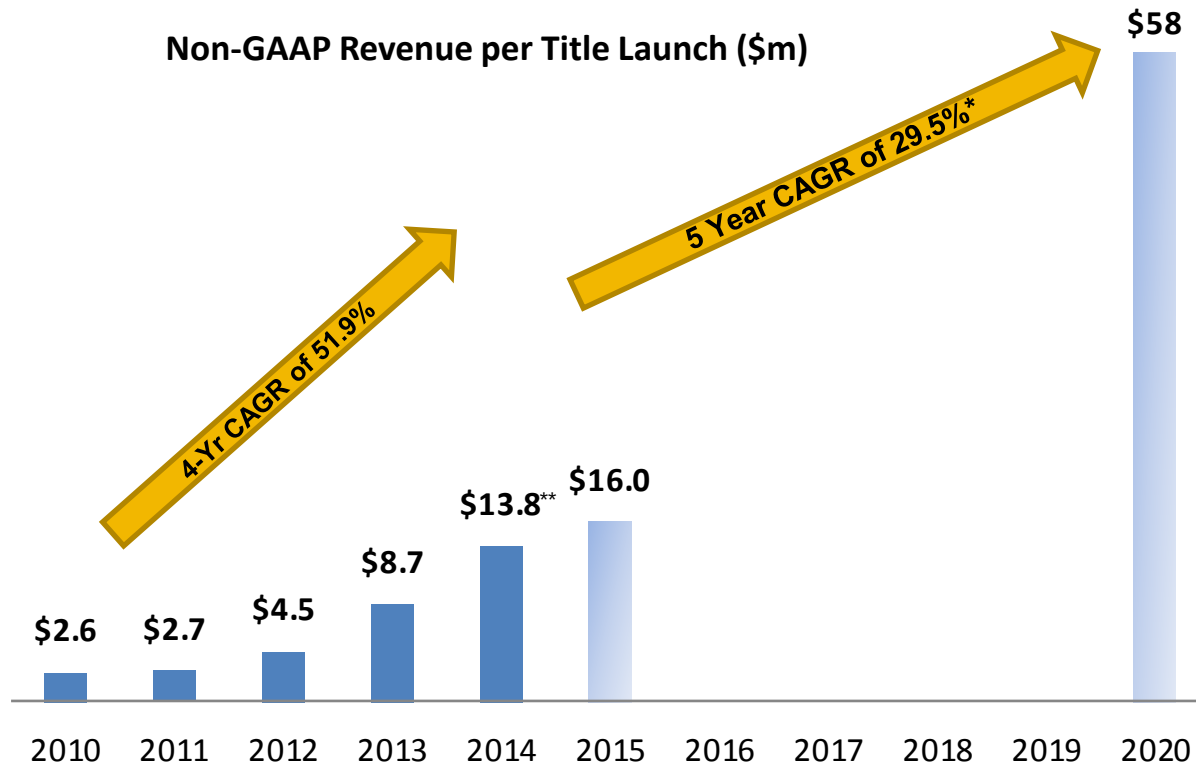


- ~\$200m+ potential, cumulative non-GAAP revenue over five years for the franchise*
- ~\$110m+ potential free cash flow over five years*

*This example scenario assumes that DH 2016 is flat to DH 2014. However, this scenario should not be treated as Glu's forecast or projection as to the actual performance of DH 2016 when it is launched later this year. The performance of DH 2016 is subject to many material risks and uncertainties that could cause its actual performance to fall short of this example scenario, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.



Potential Batting Average Growth

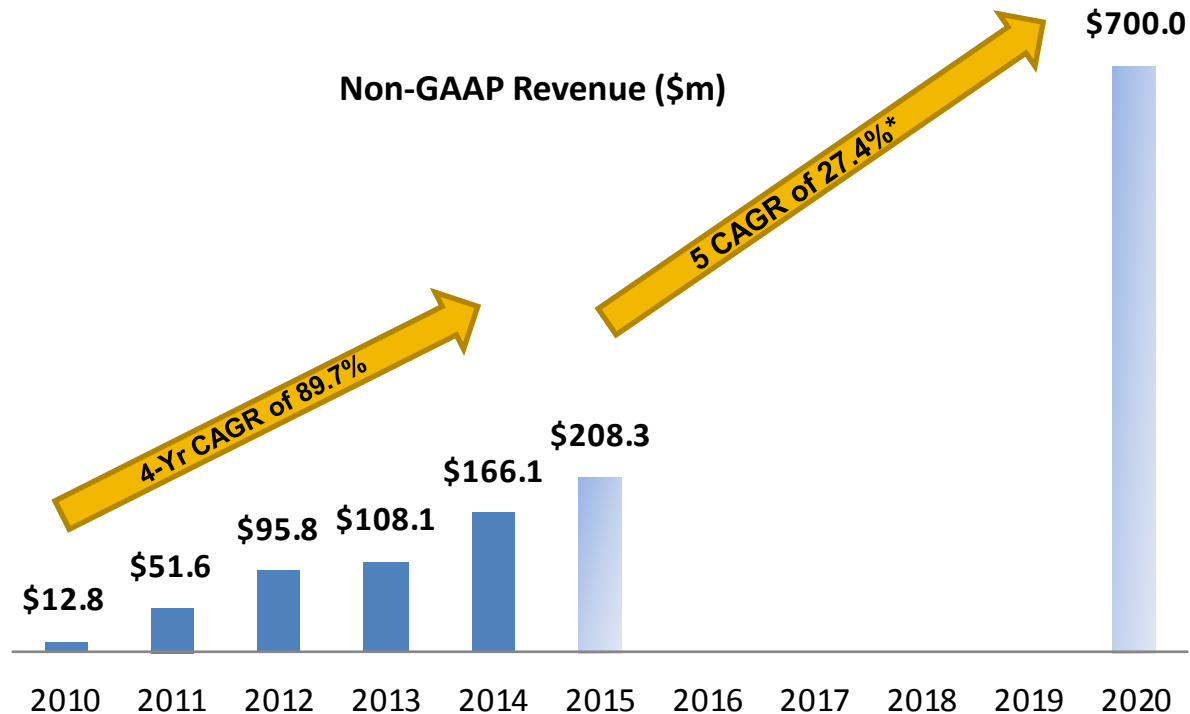


*The potential 5-year 29.5% CAGR represents a hypothetical scenario to illustrate a potential outcome if our business strategies are successful. This scenario should not be treated as a forecast, projection or financial guidance. We cannot assure you that we will achieve any particular growth rate and we may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of this example scenario, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.

**Computed based on the total non-GAAP smartphone revenue from games internally developed by Glu, including Racing Rivals but excluding Kim Kardashian: Hollywood, divided by the # of internally developed games launched by Glu, including Racing Rivals but excluding Kim Kardashian: Hollywood.



Core IP Non-GAAP Revenue



*The potential 5-year 27.4% CAGR represents a hypothetical scenario to illustrate a potential outcome if our business strategies are successful. This scenario should not be treated as a forecast, projection or financial guidance. We cannot assure you that we will achieve any particular growth rate and we may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of this example scenario, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.



3. Celebrity Platform



Social Power

CELEBRITY	APPS	REACH*	ENGINE	LAUNCH
Kim Kardashian West		87m		June 22, 2014
Katy Perry		176m		Q4 2015
Kylie & Kendall Jenner		82m		Q4 2015
Britney Spears		89m		Q1 2016

- 434m* total social followers inked
- Long term partnerships
- Annuity games

*Aggregate # of followers across Facebook + Twitter + Instagram + Vevo + Vine + Tumblr followers as of April 23, 2015. There is some overlap of these social audiences between channels and celebrities.



'5-Year Super Bowl Commercial'

- 118m viewers – all time record half time viewing
- Katy Perry herself – 176m total social followers*
- 5-year exclusive mobile gaming partnership
- Dynamic and interactive promotion & engagement

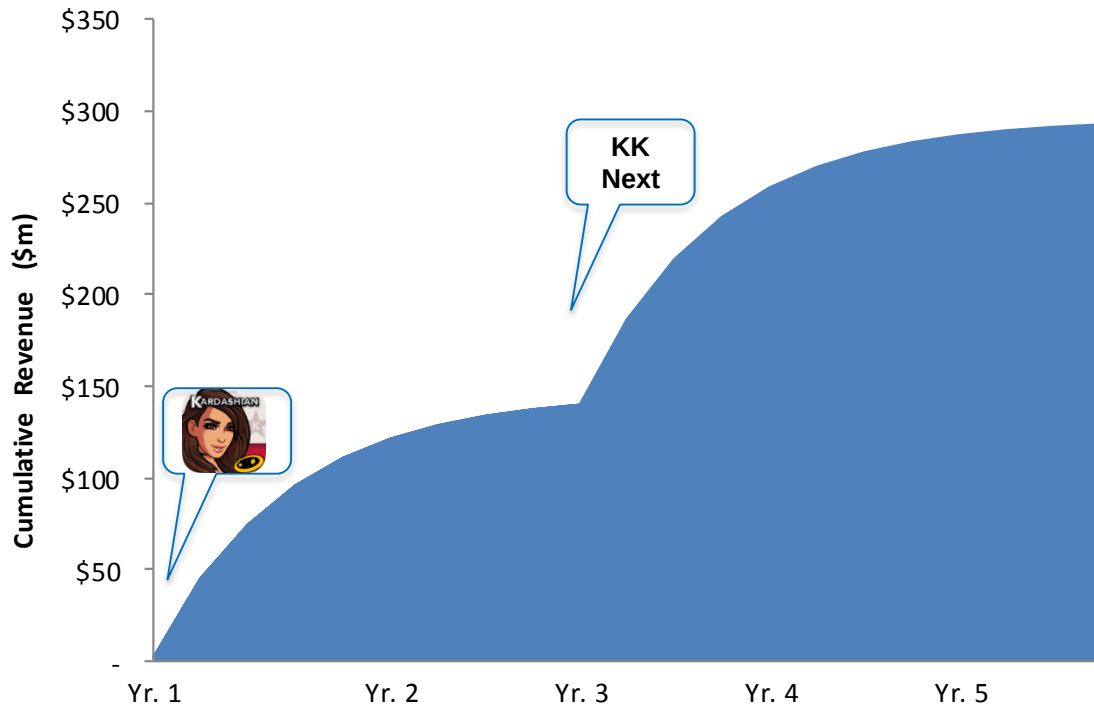


**Aggregate # of followers across Facebook + Twitter + Instagram + Vevo + Vine + Tumblr followers as of April 23, 2015. There is some overlap of these social audiences between channels and celebrities.*





Extrapolation

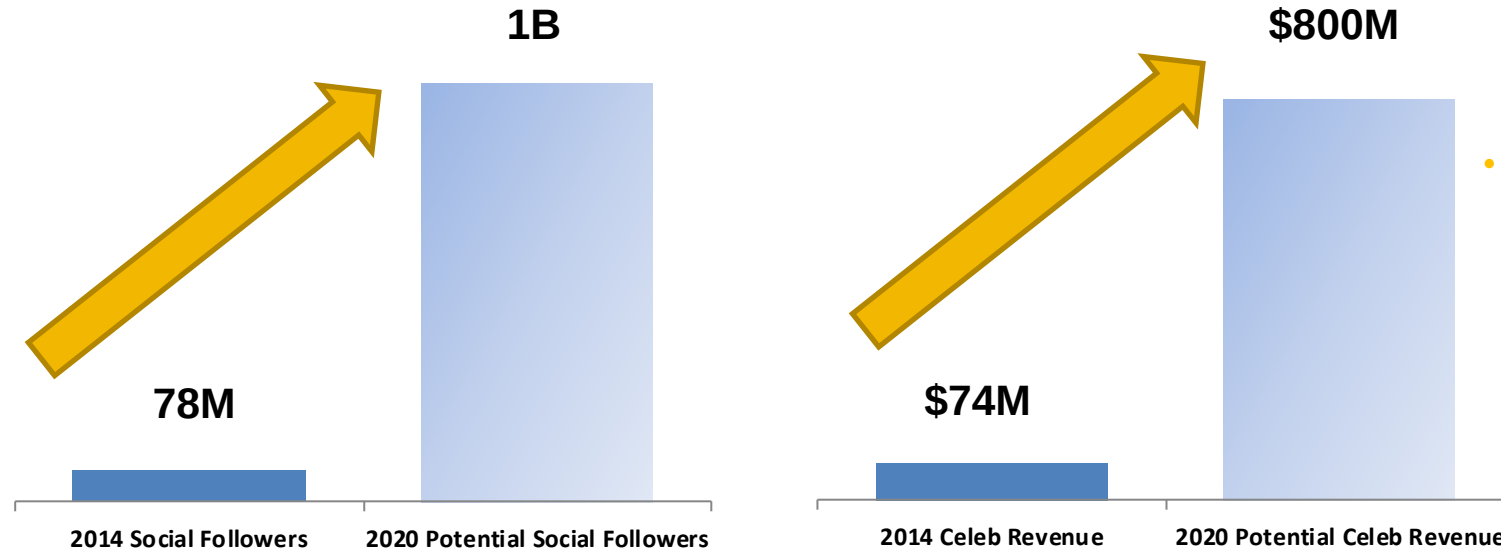


- ~\$300m+ potential, cumulative non-GAAP revenue over five years for the franchise*
- ~\$100m+ potential free cash flow over five years*

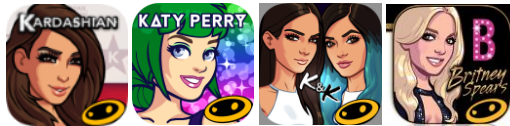
*This example scenario assumes that a sequel is flat to KK: Hollywood. However, this scenario should not be treated as Glu's forecast or projection as to the actual performance of a KK: Hollywood sequel. The performance of a KK: Hollywood sequel will be subject to many material risks and uncertainties that could cause its actual performance to fall short of this example scenario, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.



Strengthening Monetization of Social Followers



- Potentially a \$700M to \$900M opportunity in 2020

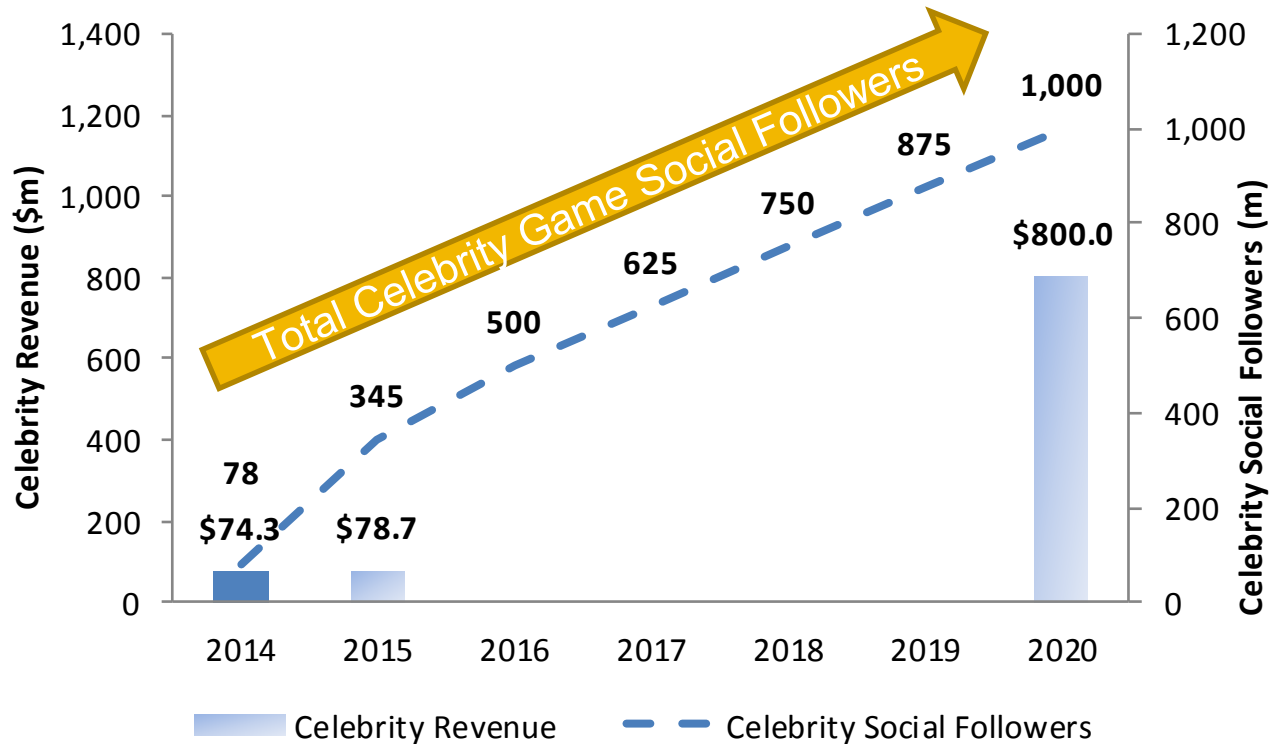


Exclusivity = Contractual barrier to entry

*The potential growth in social followers and celebrity revenues represents hypothetical scenarios to illustrate potential outcomes if our business strategies are successful. These scenarios should not be treated as forecasts, projections or financial guidance. We cannot assure you that we will achieve any particular growth rate and our revenues and social followers may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of these example scenarios, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings



Live Celebrity Games



- Targeting 1B celebrity social followers
- Expect games supported by 500M social followers live by end of 2016

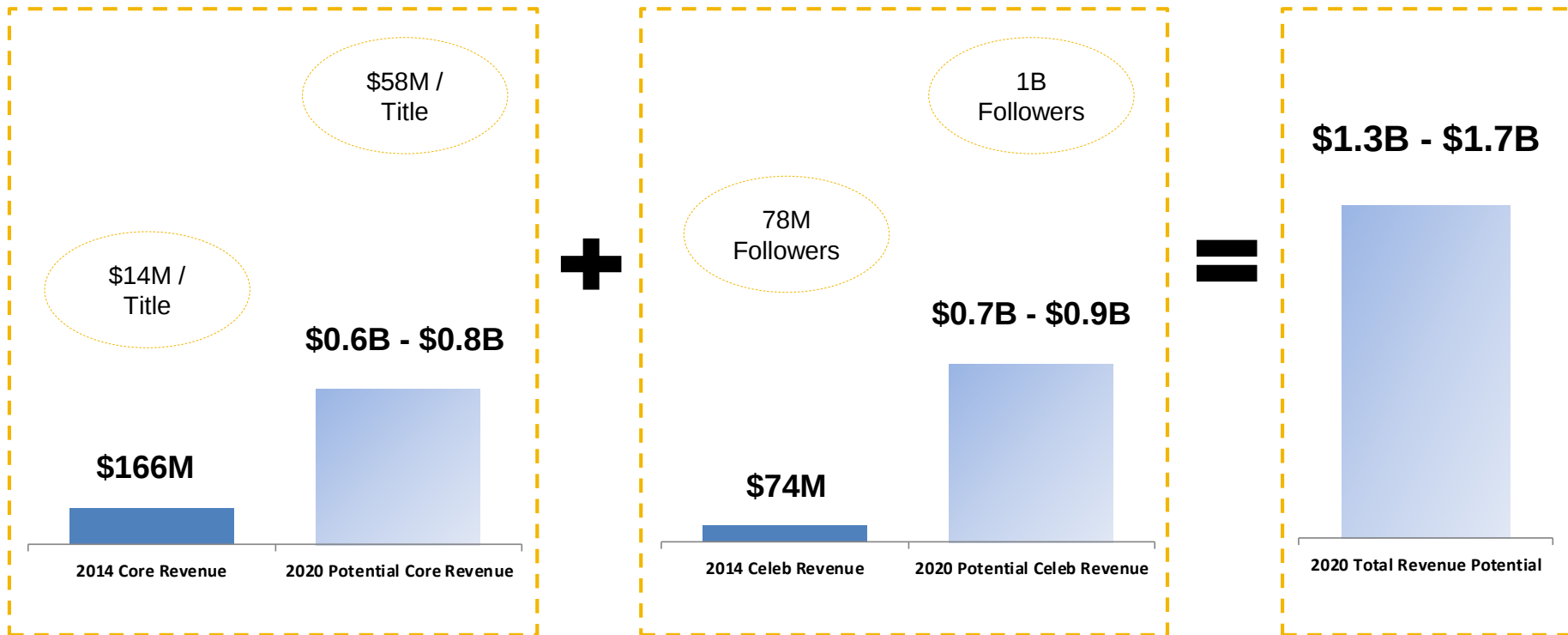
*The potential growth in social followers and celebrity revenues represents hypothetical scenarios to illustrate potential outcomes if our business strategies are successful. These scenarios should not be treated as forecasts, projections or financial guidance. We cannot assure you that we will achieve any particular growth rate and our revenues and social followers may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of these example scenarios, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings



4. Aggregate Growth Opportunity



2020 Non-GAAP Revenue Opportunity: \$1.3B – \$1.7B



The potential 2020 revenue opportunity and growth in social followers represents hypothetical scenarios to illustrate potential outcomes if our business strategies are successful. These scenarios should not be treated as forecasts, projections or financial guidance. We cannot assure you that we will achieve any particular growth rate and our revenues and social followers may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of these example scenarios, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.



Eric R. Ludwig

COO & CFO



Financial Agenda

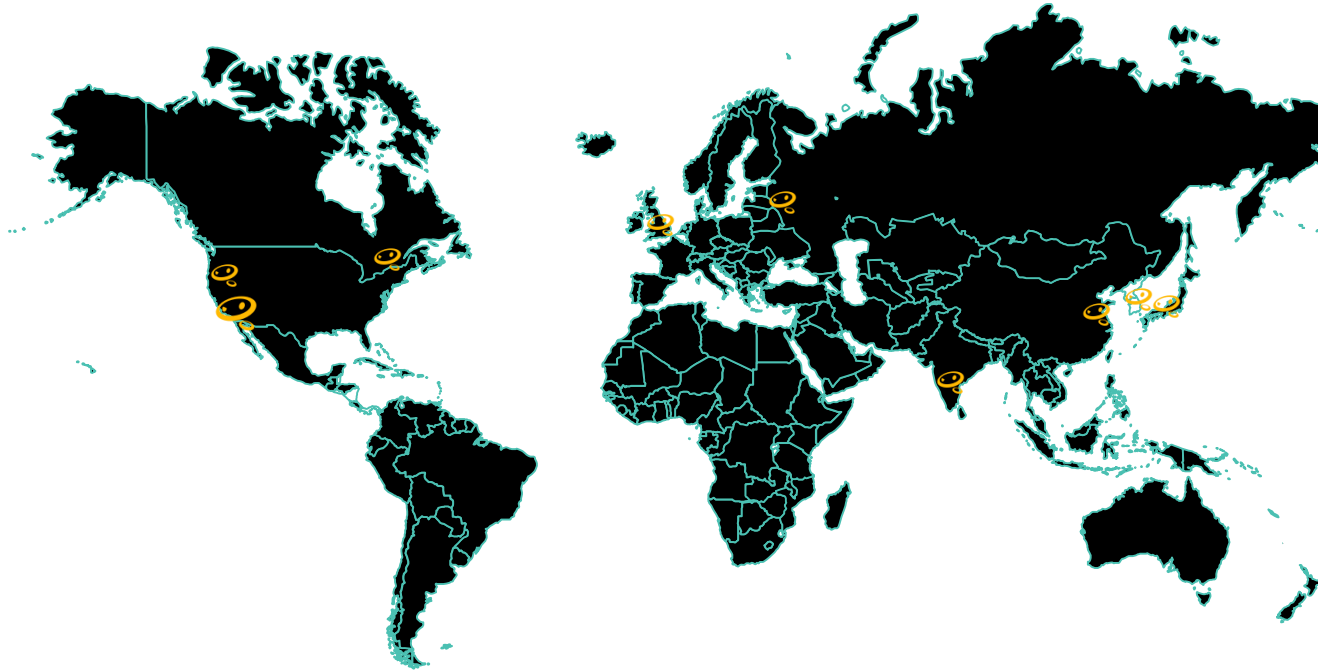
1. Guidance Backdrop
2. 2015 Guidance
3. Long Term Operating Model



1. Guidance Backdrop



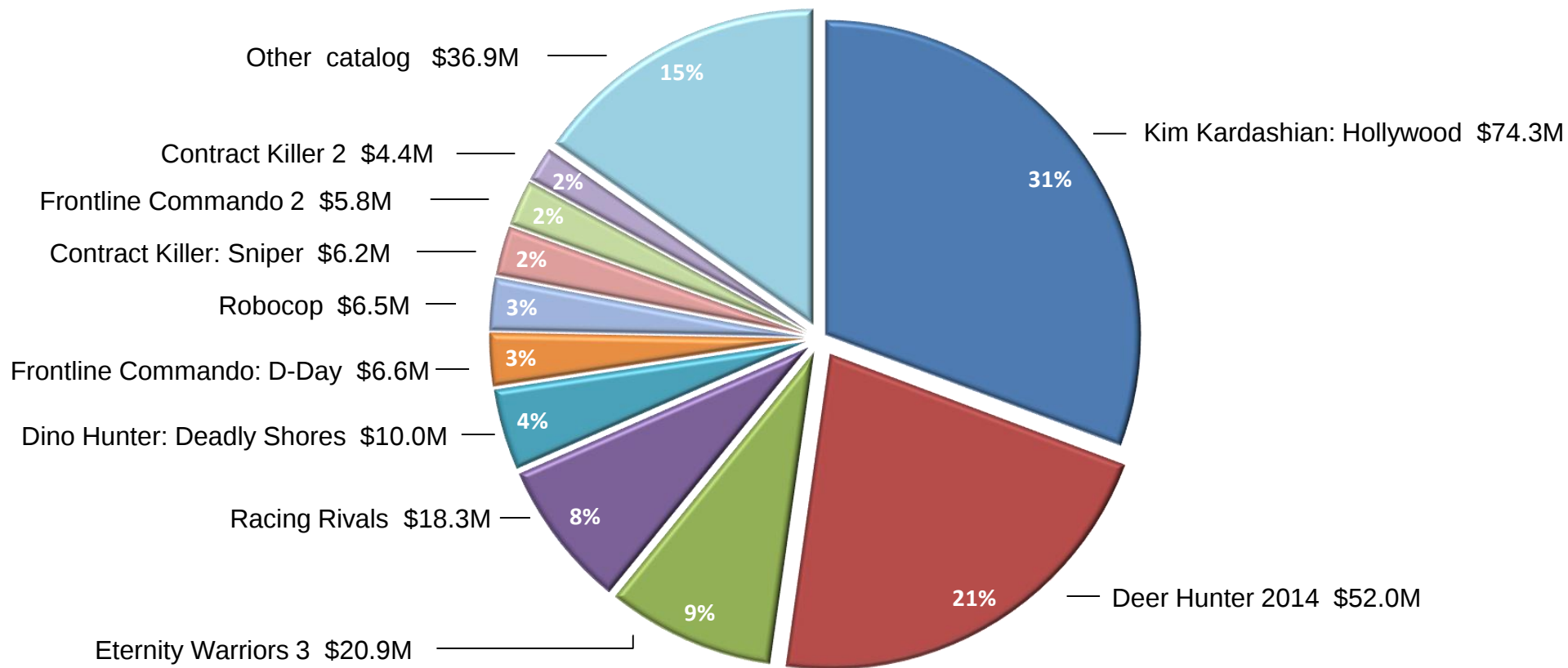
Diversified Studio Infrastructure



- 865 employees, 700 in R&D expected by end of 2015
- 24 Game Teams in Diverse, Cost Efficient Locations:
 - San Francisco, CA
 - Bellevue, WA,
 - Long Beach, CA
 - Toronto, Canada
 - Moscow, Russia
 - Beijing, China
 - Hyderabad, India



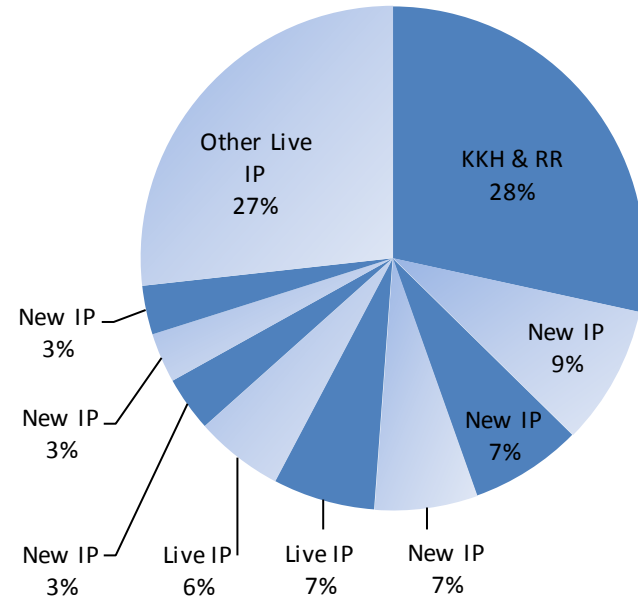
2014: Non-GAAP Revenue Delivery from a Broad Portfolio



Greater Diversification Expected in 2015

- Top 2 titles in guidance contribute ~28% of non-GAAP revenue vs. 52% in 2014
- 2 of the other top 10 largest titles already live:
 - Deer Hunter 2014
 - Contract Killer: Sniper

**\$287M 2015 Non-GAAP Revenue
Top Titles**



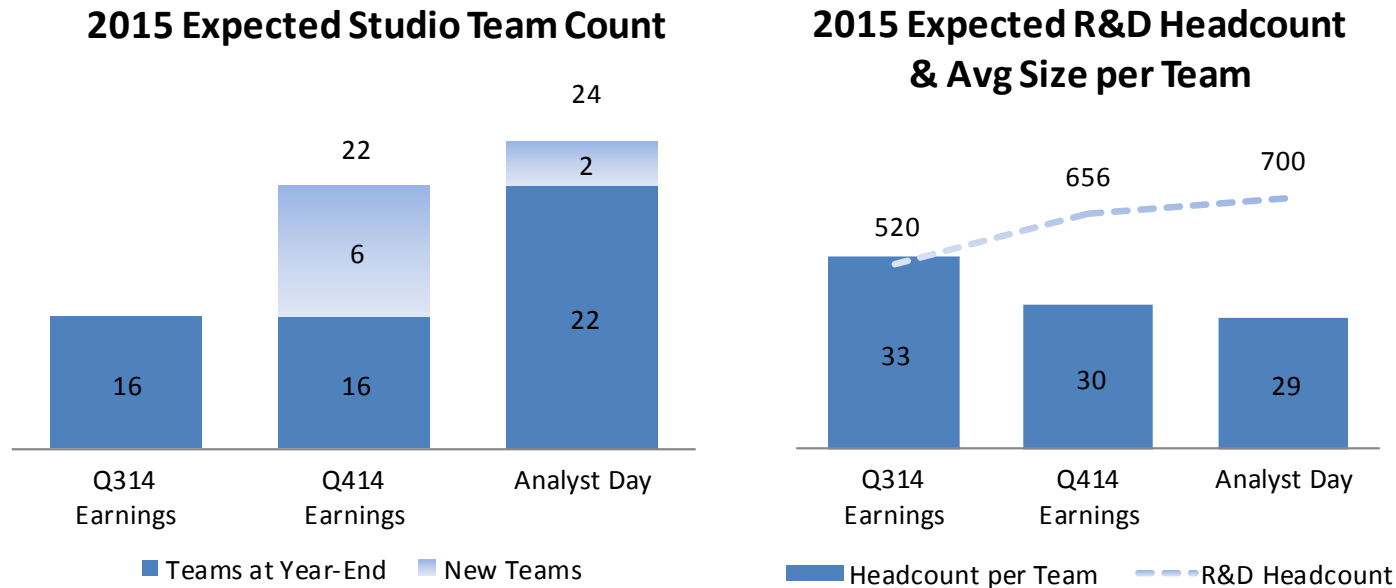
Strong Contribution Margin Flow Through

% of Gross Revenues	Original IP	Branded IP Royalty	
		Low	High
Gross Revenue	100.0%	100.0%	100.0%
Platform Fees	25.6%	25.6%	25.6%
Royalties	0.0%	6.9%	24.0%
Gross Margin	74.4%	67.5%	50.4%
User Acquisition	15.0%	15.0%	15.0%
Contribution Margin of Incremental \$1.00			
of Gross Revenue	59.4%	52.5%	35.4%



Increasing Studio Capacity Positions Glu for Bigger 2016

- Adding 2 incremental teams to 2015 costs since February earnings call



>2/3 of Launches in H2

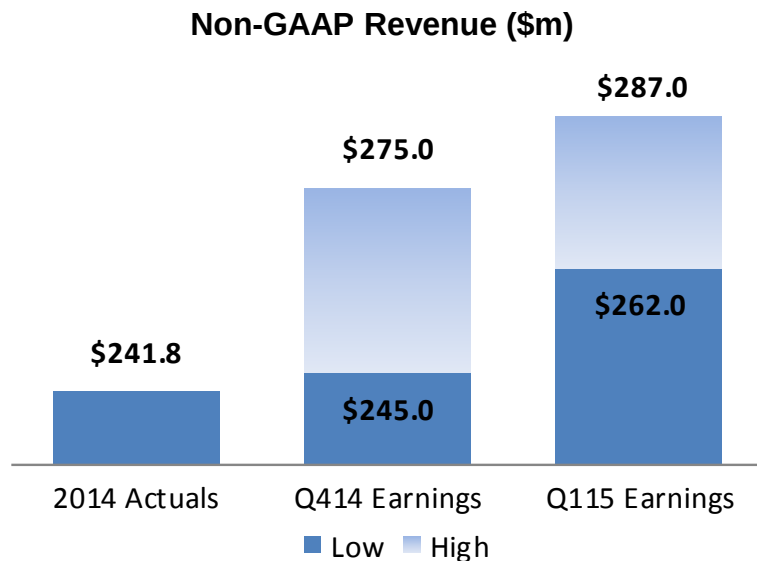
Q1	Q2	Q3	Q4
			
			
			
			
			
			
			
**Experimental pending results of testing metrics			



2. 2015 Guidance



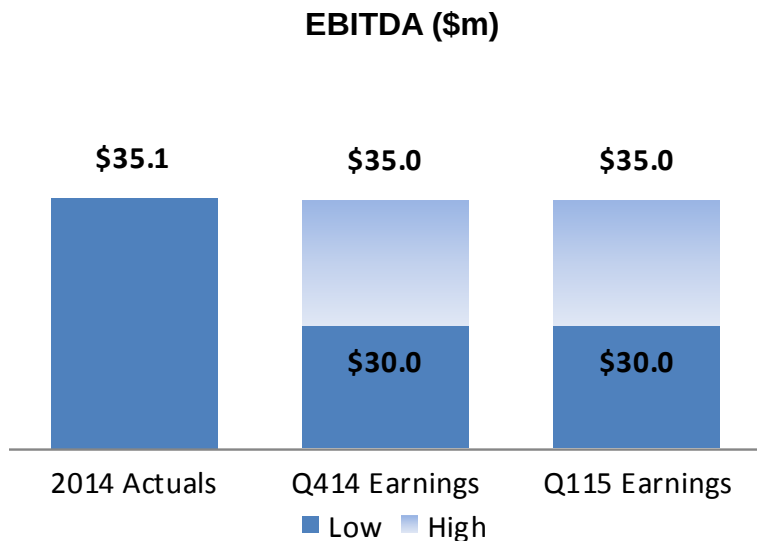
Reiterating 2015 Non-GAAP Revenue Guidance



- 19% year over year growth
- Diversified revenue with 4 of top 10 titles already live as of today



Reiterating 2015 EBITDA Guidance



- \$30M to \$35M EBITDA
- Flat EBITDA guidance at high-end, despite investing in 180 new studio employees and 8 new teams
- 4 teams are OPEX only in 2015 with first revenue expected in 2016



2015 Guidance

- Guiding to low-end of long term targets
- No Kim Kardashian or Deer Hunter sized hits assumed
- Not increasing guidance further due to back-end release slate



3. Long Term Operating Model



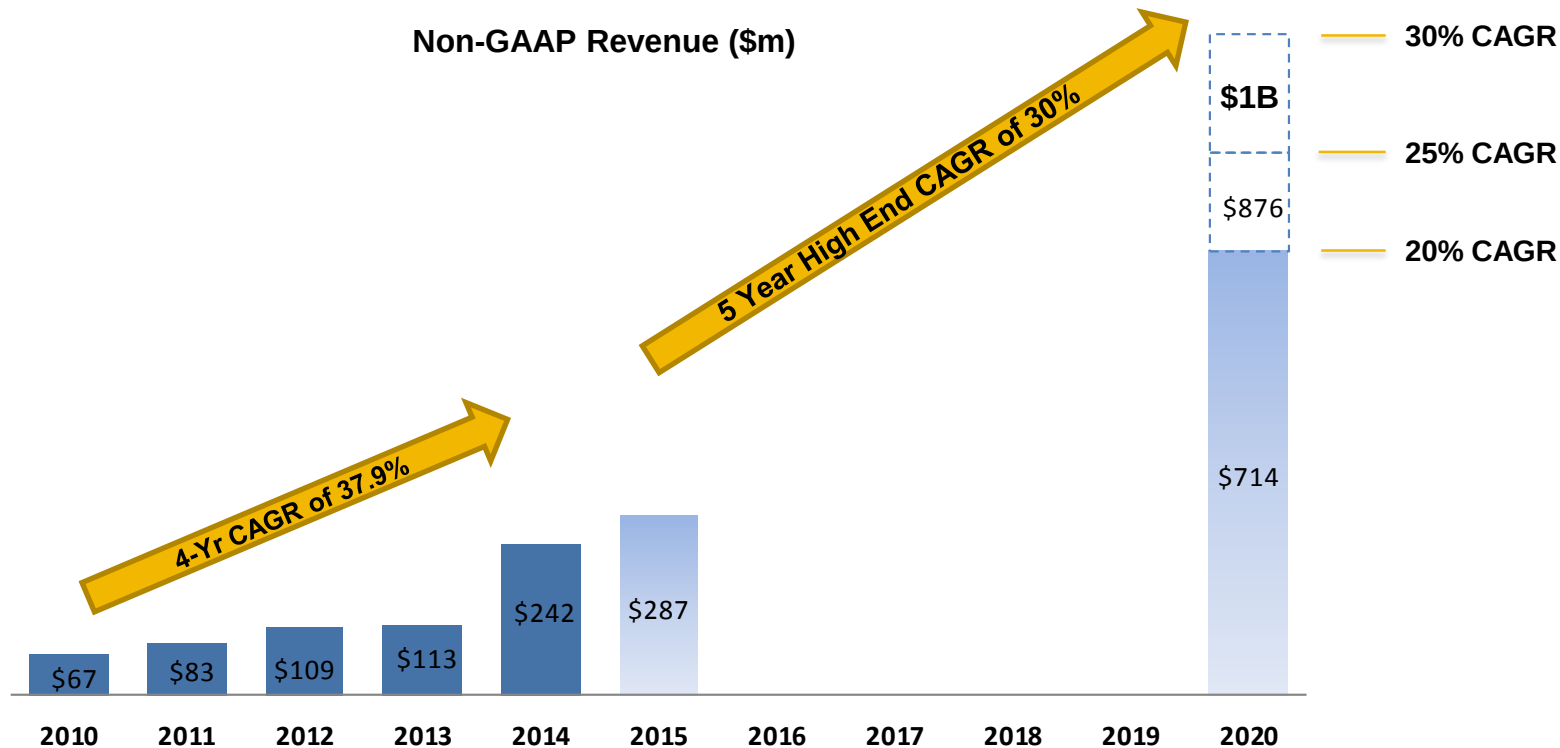
Long Term Operating Model: Five Year Goals

- Annual Revenue Growth of 20% to 30%
- \$1 Billion of Non-GAAP Revenue in 2020
- All Quarters Q315 Onward EBITDA Profitable

Glu's goals with respect to revenue growth and EBITDA profitability illustrate potential outcomes if our business strategies are successful. These goals should not be treated as forecasts, projections or financial guidance. We cannot assure you that we will achieve any particular growth rate and our revenues and EBITDA may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of these goals, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.



Potential Long Term Non-GAAP Revenue Growth



The potential CAGRs represents hypothetical scenarios to illustrate potential outcomes if our business strategies are successful. These scenarios should not be treated as forecasts, projections or financial guidance. We cannot assure you that we will achieve any particular growth rate and we may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of these example scenarios, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.



Long-Term EBITDA Margins of 20% to 25%



Long Term Margin Targets

% of Non-GAAP Revenue	LTM	Long Term Target	
		Low	High
Revenue	100.0%	100.0%	100.0%
Platform Fees	25.3%	24.8%	24.0%
Royalties	10.3%	15.7%	14.0%
Hosting	2.4%	1.8%	1.8%
Gross Margin	62.0%	57.7%	60.2%
R&D	23.7%	15.9%	14.2%
S&M	3.7%	3.0%	2.5%
S&M: User Acquisition	14.6%	15.0%	15.0%
G&A	8.3%	4.8%	4.5%
Subtotal: Opex	50.3%	38.7%	36.2%
Depreciation/Amortization	1.0%	1.0%	1.0%
EBITDA Margin	12.7%	20.0%	25.0%



Potential Significant Free Cash Flow Generation

(in millions)

	2015	2020
Non-GAAP Revenue at 30% High-Growth Rate	\$287	\$1,000
Adjusted EBITDA	\$35	\$250
EBITDA Margin	12.2%	25.0%
Cash Flow Adjustments	(\$15)	(\$21)
Free Cash Flow	\$20	\$229

- \$85.4m of Net Operating Loss Carry-Forwards*
 - \$38.7m utilizable in 2015
 - \$12m/year utilizable per year 2016 – 2017
 - \$5.9m/year utilizable per year 2018 – 2020
 - \$4.8m/year utilizable in 2021

*The above NOLs may change based on the recent Tencent investment and any future ownership changes.

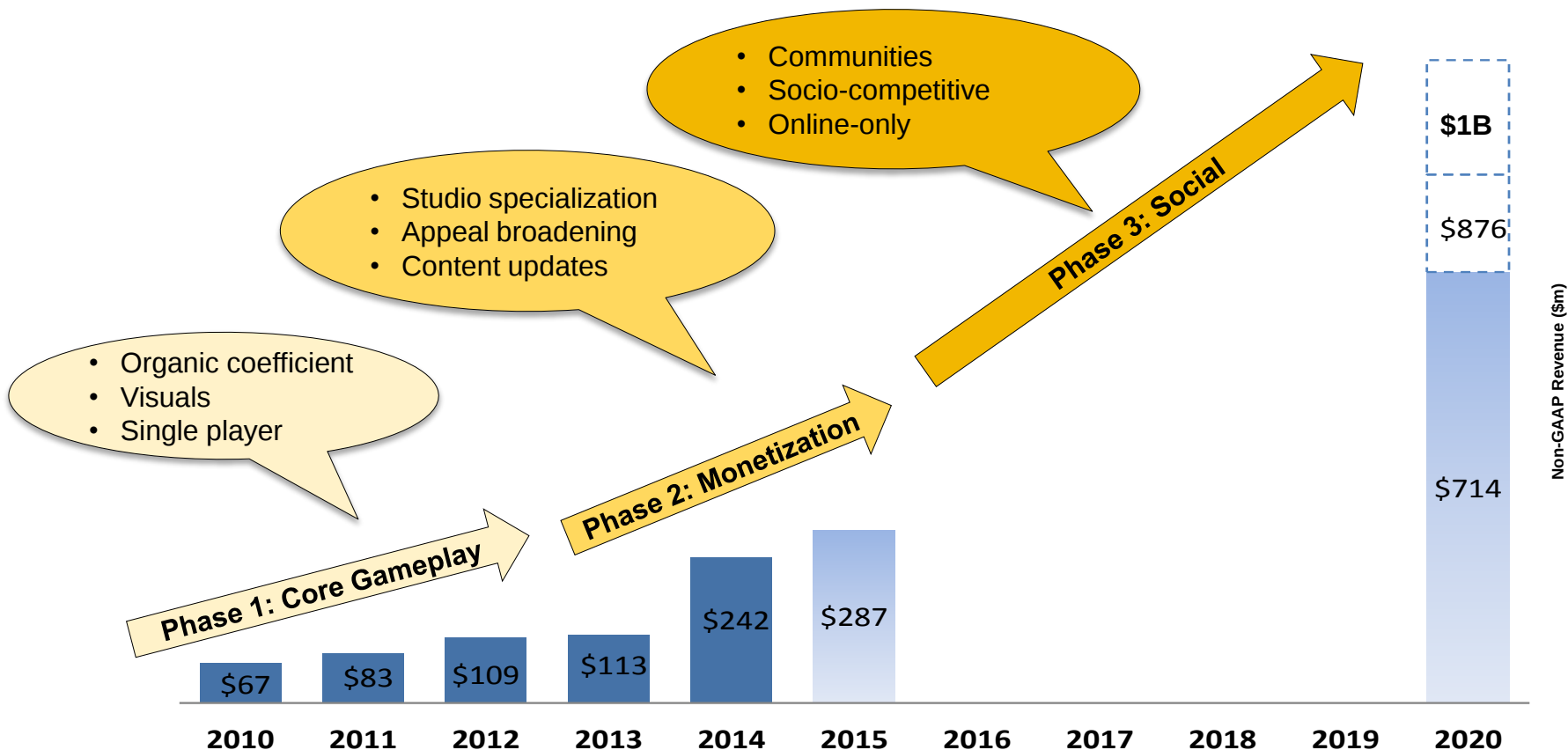
The potential 2020 financial results based on a potential 30% CAGR represents a hypothetical scenario to illustrate a potential outcome if our business strategies are successful. This scenario should not be treated as a forecast, projection or financial guidance. We cannot assure you that we will achieve any particular growth rate and we may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of this example scenario, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.



Wrap Up



Glu Evolution



The potential 2020 revenues represents hypothetical scenarios to illustrate potential outcomes if our business strategies are successful. These scenarios should not be treated as forecasts, projections or financial guidance. We cannot assure you that we will achieve any particular growth rate and we may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of these example scenarios, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on May 11, 2015 and our other SEC filings.



Q&A





glu™

Appendix



GAAP to Non-GAAP Revenue Reconciliation

Glu Mobile Inc.
GAAP to Non-GAAP Reconciliation
(in thousands)
(unaudited)

	For the Year Ended				
	Year Ended 2010	Year Ended 2011	Year Ended 2012	Year Ended 2013	Year Ended 2014
GAAP revenue	\$ 66,804	\$ 74,025	\$ 108,183	\$ 105,613	\$ 223,146
Change in deferred revenue	79	8,631	739	7,751	18,628
Non-GAAP Revenue	66,883	82,656	108,922	113,364	241,774



Non-GAAP EBITDA Reconciliation

Glu Mobile Inc.
Non-GAAP EBITDA
(in thousands)
(unaudited)

	For the Year Ended				
	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
GAAP net income/(loss)	\$ (13,423)	\$ (21,101)	\$ (20,459)	\$ (19,909)	\$ 8,148
Change in deferred revenue	79	8,631	739	7,751	18,627
Change in deferred platform commissions and royalty expense	13	(1,950)	(500)	(1,717)	(8,912)
Non-cash warrant expense	-	-	-	427	1,192
Amortization of intangible assets	4,431	6,272	5,763	5,574	5,275
Depreciation	1,975	1,846	2,368	2,707	2,514
Stock-based compensation	1,568	3,110	5,822	4,285	11,633
Change in fair value of Blammo earnout	-	(61)	167	7	835
Transitional costs	-	1,307	489	-	1,430
Restructuring charge	3,629	545	1,371	1,448	435
Foreign currency exchange loss	699	(789)	365	23	1,495
Interest and other expense	575	42	(18)	(33)	(23)
Income tax provision/(benefit)	709	614	(1,994)	(2,843)	(7,555)
Total Non-GAAP EBITDA	\$ 255	\$ (1,534)	\$ (2,274)	\$ (2,280)	\$ 35,094

